

# **SKIL INFRASTRUCTURE LIMITED**

**33<sup>rd</sup> ANNUAL REPORT**  
**2015-2016**

### **33<sup>rd</sup> ANNUAL GENERAL MEETING**

**DATE** : September 27, 2016  
**DAY** : Tuesday  
**TIME** : 1430 Hours  
**PLACE** : Babasaheb Dahanukar Hall,  
Oricon House,  
12, K. Dubhash Marg,  
Kala Ghoda, Fort,  
Mumbai - 400 001

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### **BOARD OF DIRECTORS**

Mr. Nikhil Gandhi	Chairman
Mr. Bhavesh Gandhi	Vice Chairman
Mr. Ajay Khera*	Managing Director & CEO
Mr. J. Alexander	Independent Director
Ms. Gayathri Ramachandran	Independent Director
Mr. V. Ramanan	Independent Director

\*Upto November 26, 2015

### **CHIEF EXECUTIVE OFFICER**

Mr. Ajay Khera

### **CHIEF FINANCIAL OFFICER**

Mr. Sudipan Bhaduri

### **COMPANY SECRETARY**

Mr. Nilesh Mehta

### **AUDITORS**

M/s. Bharat Shah & Associates,  
Chartered Accountants, Mumbai

### **BANKERS**

Yes Bank Limited  
Central Bank of India  
IDBI Bank Limited  
Union Bank of India

### **REGISTERED OFFICE**

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai - 400 023  
Tel: +91-22-66199000  
Fax: +91-22-22696023  
CIN:L36911MH1983PLC178299  
Investor Grievance E-mail: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in)  
Website: [www.skilgroup.co.in](http://www.skilgroup.co.in)

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound, L.B.S. Marg,  
Bhandup (West), Mumbai - 400 078  
Tel: +91-22-25963838  
Fax: +91-22-25946969  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

## NOTICE

**NOTICE** is hereby given that the 33<sup>rd</sup> Annual General Meeting of the Members of SKIL Infrastructure Limited ('AGM') will be held on Tuesday, September 27, 2016 at 1430 hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001, to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Auditors and Directors thereon.
2. To appoint a Director in place of Mr. Nikhil Gandhi (DIN 00030560), who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify appointment of Statutory Auditors and in this regard to consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

**"Resolved That** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules framed there under (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the resolution passed by the Members of the Company at the 31<sup>st</sup> Annual General Meeting held on September 30, 2014; the appointment of M/s. Bharat Shah & Associates, Chartered Accountants (Firm Registration No. 101249W), as the Statutory Auditors of the Company for a term of three years i.e., till the conclusion of the 34<sup>th</sup> Annual General Meeting of the Company to be held in the year 2017; be and is hereby ratified at a remuneration to be decided mutually between the said Auditors and the Board of Directors."

### Registered Office

SKIL House, 209, Bank Street Cross Lane,  
Fort, Mumbai - 400 023  
Tel: +91-22-66199000, Fax: +91-22-22696023  
CIN: L36911MH1983PLC178299  
Website: [www.skilgroup.co.in](http://www.skilgroup.co.in)  
E-mail: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in)

**By Order of the Board of Directors  
For SKIL Infrastructure Limited**

**Nilesh Mehta  
Company Secretary**

**Place:** Mumbai

**Date:** August 09, 2016

### NOTES:

#### 1. PROXIES

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY(IES) SO APPOINTED NEED NOT BE A MEMBER OF THE COMPANY. PROXY(IES) IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. ONLY DULY COMPLETED, SIGNED AND STAMPED PROXY WILL BE CONSIDERED VALID. A PROXY FORM IS ATTACHED HERewith.**
  - A person can act as proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case of a Member who is holding more than ten percent of the total share capital of the Company carrying voting rights, he/she may appoint a single person as proxy and such person shall not act as proxy for any other person or Member. The instrument appointing a proxy shall be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a company, society, partnership firm, etc., it shall be supported by appropriate resolution/authority, as applicable, issued on behalf of the nominating organisation. The Proxy-holder shall prove his identity at the time of attending the Meeting.
- Corporate Members intending to send their authorised representatives to attend the AGM are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the AGM.
  - In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  - Members/ Proxies/ Representatives are requested to bring their copies of the Annual Report along with their duly filled in Attendance Slips.
  - Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2, particulars of the Director seeking re-appointment at the AGM are given in the Exhibit to Notice.
  - The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, September 21, 2016 to Tuesday, September 27, 2016, both days inclusive, for the purpose of the AGM of the Company.

7. The Register of Directors and Key Managerial Personnel and their shareholding and the Register of Contracts or Arrangements, maintained under Section 170 and Section 189 of the Companies Act, 2013 respectively will be available for inspection by the Members at the AGM.
8. Members are requested to notify immediately any change in their addresses/other contact details to the Company's Registrar and Share Transfer Agents, M/s. Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai – 400 078 ('RTA'), for shares held in physical form and to their respective Depository Participants ('DP') for shares held in electronic form.
9. Members desirous of obtaining any information concerning the Financial Statements of the Company are requested to write their queries to the Company at least seven working days before the AGM so that the information required can be made readily available at the AGM.
10. Members are requested to approach the Company for consolidation of folios, if shareholding is under multiple folios.
11. Members are requested to quote the Ledger Folio or Client ID and DP ID Numbers in all Communications with the Company/ RTA.
12. Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company in electronic form. Kindly note that even after registering for e-communication, Members are entitled to receive such communication in physical form by permitted mode upon making a request for the same. For any such communication, the Members may also send requests to the Company's investor email id: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in).
13. Copies of the Annual Report for FY 2015-16 including therein the Notice of the 33<sup>rd</sup> AGM, which, inter alia, indicates the process and manner of e-voting; Attendance Slip and Proxy Forms are being sent in electronic mode to those Members whose e-mail addresses are registered with the Company / Depository Participant(s) ("DPs") for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their e-mail addresses, physical copies of the Annual Report, etc., is being sent by the permitted mode. The Annual Report is being sent to the Members, as ibid, whose names shall appear in the Register of Members or in case of shares held in electronic form, who were the beneficial owners as on Friday, August 26, 2016. However, if such a person is not a Member on the cut-off date of Tuesday, September 20, 2016; such person shall not be eligible to vote via remote e-voting or at AGM and may treat this Notice for information purpose only. Members may also note that the Annual Report of the Company is available for download from the website of the Company [www.skilgroup.co.in](http://www.skilgroup.co.in).
14. All documents referred to in the accompanying Notice are available for inspection at the Registered Office of the Company between 1100 hours to 1300 hours on all working days, except Saturdays, upto the date of the AGM. Copies thereof shall also be made available for inspection at the Meeting.
15. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on December 28, 2015 (date of last AGM) on the website of the Company [www.skilgroup.co.in](http://www.skilgroup.co.in) and also on the website of the Ministry of Corporate Affairs. Further, the said unpaid and unclaimed dividend amount will be transferred to the Investor Education and Protection Fund as per the provisions of the Companies Act, 2013/1956.
16. The Securities and Exchange Board of India has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ RTA.
17. In compliance with provisions of Section 108 of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), Secretarial Standard-2 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to all Members of the Company to enable them to cast their votes electronically on the items/resolutions mentioned in this Notice. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') will be provided by Central Depository Services (India) Limited ('CDSL'). The facility for voting through ballot paper shall be made available at the AGM and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the Meeting through ballot paper. The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

The instructions for remote e-voting are detailed hereunder:-

- (i) The voting period begins on Friday, September 23, 2016 at 0900 hours and ends on Monday, September 26, 2016 at 1700 hours. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Tuesday, September 20, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:
- For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ("EVS" i.e. 160822042) for SKIL Infrastructure Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details, a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). You may also contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, 17<sup>th</sup> Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001, Email ID: [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com), Phone No. (toll free): 1800-200-5533.

In case if a person acquires shares and becomes Member of the Company after dispatch of this Notice/Annual Report, they may obtain the User ID and Password/Sequence Number by sending a request to RTA at [evelin.subalatha@linkintime.co.in](mailto:evelin.subalatha@linkintime.co.in).

In case Members have any queries pertaining to the sequence number for e-voting, they may contact the RTA for the same.

The voting rights of the Members shall be in the proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date i.e. Tuesday, September 20, 2016.

The Company has appointed Mr. Virendra G. Bhatt (Membership No. ACS 1157), Company Secretary in Practice, Mumbai, as Scrutinizer, to scrutinize the remote e-voting process and ballot process at AGM in a fair and transparent manner.

The Scrutinizer shall, after the conclusion of voting at the AGM, first count the votes cast at the Meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall counter sign the same. The Chairman or a person authorized by him in writing shall declare the result of the voting forthwith.

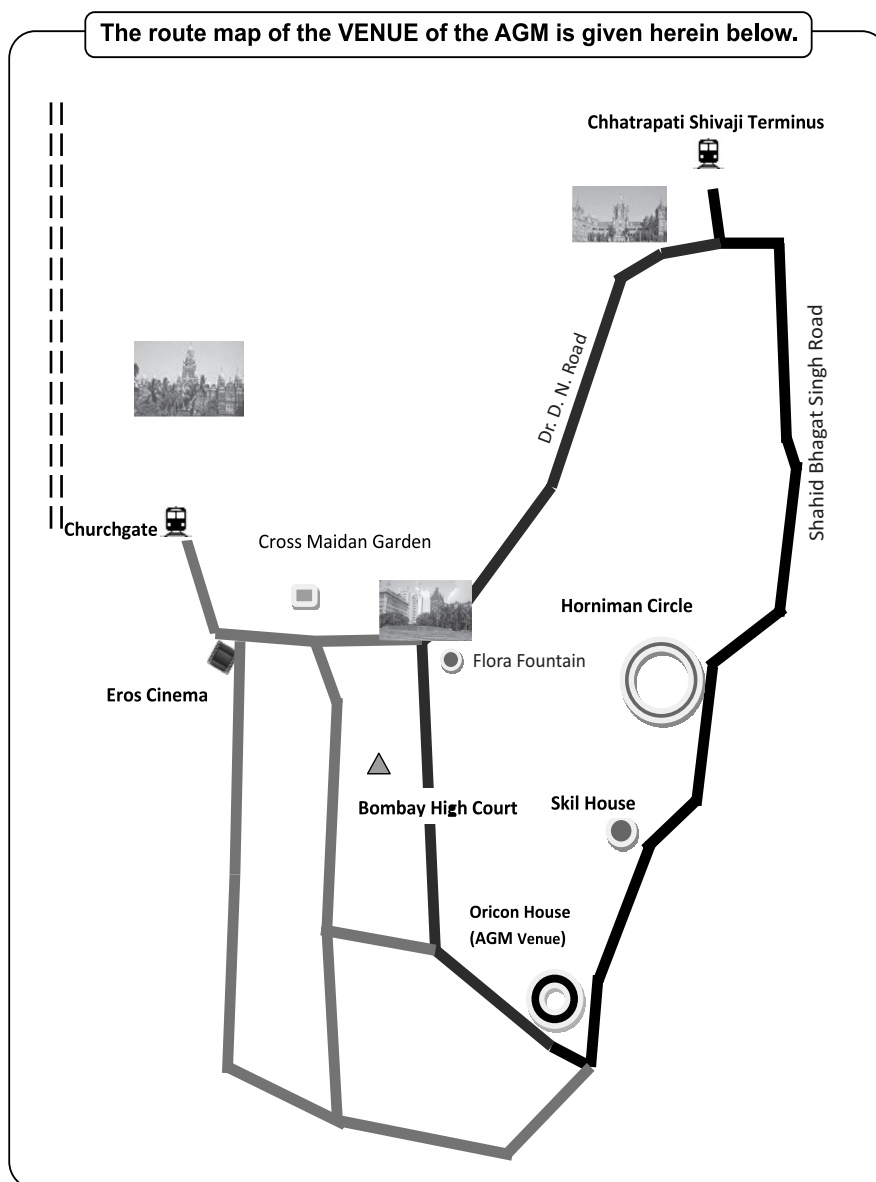
The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company [www.skilgroup.co.in](http://www.skilgroup.co.in) and on the website of CDSL immediately after the declaration of result. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

## EXHIBIT TO NOTICE

**Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-2, following information is furnished in respect of Director proposed to be re-appointed:**

Name of the Director (DIN)	: Mr. Nikhil Gandhi (00030560)
Designation	: Non-Executive Chairman
Date of Birth	: April 25, 1959
Age	: 57 years
Nationality	: Indian
Qualification	: B. Com
Date of Appointment	: April 15, 2006
Detailed Profile including Nature of Expertise and Experience	: A first-generation entrepreneur, Mr. Nikhil Gandhi has led the Company in undertaking various projects of national importance, several such projects being first-of-its-kind in aspects such as bringing private sector initiative into hitherto public domain. He has approximately 32 years of experience in conceiving and developing infrastructure projects across India.
Number of Board Meetings attended during the financial year 2015-16	: 2 Board Meetings
Remuneration	: -
Directorships held in other companies as on March 31, 2016	: Awaita Properties Private Limited
	: Reliance Defence and Engineering Limited
	: Navi Mumbai SEZ Private Limited
	: Urban Infrastructure Holdings Private Limited
	: SKIL-Himachal Infrastructure and Tourism Limited
	: SKIL Institute of Nursing Private Limited
	: KLG Capital Services Limited
	: JPT Securities Limited
	: Pipavav Electronic Warfare Systems Private Limited
	: Nayroh Lifestyle and Leisure Infrastructure Limited
	: Karanja Terminal & Logistics Private Limited
	: Sohar Free Zone LLC (Foreign Company)
	: SKIL Ports & Logistics Limited (Foreign Company)
	: PDOC Pte. Ltd. (Foreign Company)
	: SKIL (Singapore) Pte. Ltd (Foreign Company)
	: Mazagon Dock Pipavav Defence Private Limited

Memberships/ Chairmanships of committees (includes only Audit and Shareholder's/ Investor's Grievance Committee/ Stakeholders Relationship Committee) of other public companies as on March 31, 2016	:	KLG Capital Services Ltd. - Member of Audit Committee and Stakeholders Relationship Committee
	:	JPT Securities Ltd. - Member of Audit Committee and Stakeholders Relationship Committee
	:	SKIL-Himachal Infrastructure & Tourism Limited - Member of Audit Committee
Number of shares held in the Company as on March 31, 2016	:	11,77,757 Shares in his individual capacity
Inter-se relationship with other Directors and KMPs	:	Brother of Mr. Bhavesh Gandhi





## DIRECTORS' REPORT

**Dear Members,**

Your Directors are pleased to present the 33<sup>rd</sup> Annual Report of SKIL Infrastructure Limited (hereinafter referred to as 'the Company' or 'SKIL') together with the Audited Financial Statements for the financial year ended March 31, 2016.

### Financial Highlights (Standalone)

The financial performance of the Company for the financial year ended March 31, 2016 is summarised below:

(₹ in Lacs)

Particulars	Year ended March 31, 2016	Year ended March 31, 2015
Total Income	420.42	7,498.55
Less: Expenditure	17,025.09	25,352.83
Profit/(Loss) before Depreciation & Taxation	(16,604.67)	(17,854.28)
Less: Depreciation	118.10	152.61
Profit/(Loss) before Taxation & Exception Items	(16,722.77)	(18,006.89)
Exceptional Items	(13,977.38)	-
Profit/(Loss) before taxation	(30,700.15)	(18,006.89)
Less: Provision for Tax / Deferred Tax	(56.39)	-
Profit/(Loss) after tax	(30,756.54)	(18,006.89)
Add: Balance brought forward from the previous year	(26,594.63)	(8,485.54)
Less: Appropriations (other than Dividend)	-	102.19
Less: Transfer to Capital Reserve as per Scheme of Merger	-	-
Less: Transfer to General Reserve	-	-
Balance Profit / (Loss) carried forward to the next year	(57,351.17)	(26,594.62)

### State of Company's Affairs

The Company has been into Engineering, Procurement and Construction (EPC) business. Besides, it is developing a State of the Art Container Freight Station (CFS) in an area of 73.15 acres near Jawaharlal Nehru Port Trust ('JNPT'), Navi Mumbai and has also embarked upon an ambitious, Pan-India and Multi-segment Operations in the logistic field. The Company conducts business through its subsidiaries and affiliates.

The total income of the Company during the year under review is ₹ 420.42 Lacs as compared to total income of ₹ 7,498.55 Lacs during the previous financial year. During the year, the Company incurred net loss of ₹ 30,756.54 Lacs as compared to the loss of ₹ 18,006.89 Lacs incurred in the previous financial year. The finance cost on account of borrowings and loss incurred by the Company, consequent upon invocation/sale of its investments are the main reasons for the losses incurred by the Company. However, it may be noted that the Finance Cost of the Company has reduced from ₹ 16,682.79 Lacs during the previous year to ₹ 15,145.88 Lacs during the year under review.

### Future Outlook

In a strategic move to unlock value, the Company has been exiting from all the non-core activities and investments to enable it to pay more focus on its core competence and reduce debt. The Company has been exploring effective disinvestment options to make the Company debt-free. A substantial divestment in Reliance Defence and Engineering Limited ('RDEL') (name changed from Pipavav Defence and Offshore Engineering Company Ltd.) has been done and action to divest further is in hand. The matter has been elaborated further in this Report. The Company shall continue to focus on developing valuable infrastructure in the field of Smart City/ SEZ/Ports/Logistics through Special Purpose Vehicles and secure robust Partnership to ensure sustainable value for shareholders. The Company shall continue to play a stellar role to contribute to increase the value for all the Shareholders/Stakeholders.

### Dividend

In view of losses incurred by the Company, your Directors do not recommend dividend for the financial year ended March 31, 2016.

### Details of Subsidiary, Associates & Joint Venture

As on March 31, 2016, the list of Subsidiaries, Joint Ventures and Associate Companies is as follows:

#### i) Subsidiary Companies

Gujarat-Dwarka Portwest Limited (Erstwhile Gujarat Positra Port Company Limited)

Chiplun FTWZ Private Limited

Navi Mumbai SMART CITY Infrastructure Limited (Erstwhile Navi Mumbai SMART CITY Infrastructure Private Limited)  
(Erstwhile Mahakaleshwar Knowledge Infrastructure Private Limited)



Metrotech Technology Park Pvt. Ltd.  
SKIL Shipyard Holdings Private Limited  
SKIL-Himachal Infrastructure and Tourism Limited  
Energy India Corporation Limited  
SKIL Karnataka SEZ Limited  
Pipavav Electronic Warfare Systems Private Limited (Erstwhile SKIL Strategic Deterrence Systems Private Limited)  
SKIL Advanced Systems Private Limited ('SASPL')  
Pipavav Aero Infrastructure Private Limited (wholly owned subsidiary of SASPL)  
SKIL Midivisana Engineering Private Limited (wholly owned subsidiary of SASPL)  
Jansampada Engineering Company Private Limited (Erstwhile Jansampada Infraproject Private Limited)  
SKIL (Singapore) Pte. Ltd.

**ii) Associate Companies**

Reliance Defence and Engineering Limited (Erstwhile Pipavav Defence and Offshore Engineering Company Limited)  
Rosoboronservice (India) Limited\*  
Urban Infrastructure Holdings Private Limited

\*Became an associate company during the year under review.

**iii) Joint Ventures**

Sohar Free Zone LLC

Out of the aforesaid Subsidiary Companies, Pipavav Aero Infrastructure Private Limited and SKIL Karnataka SEZ Limited have submitted an application to the Registrar of Companies on August 7, 2015 for striking-off the name under the Fast Track Exit (FTE) Mode pursuant to Section 560 of the Companies Act, 1956. Further, SKIL Vision Aerial Solutions Private Limited (wholly owned subsidiary of SASPL) has been struck off under the FTE Mode during the year under review. The strike off of Pipavav Electronic Warfare Systems Private Limited has been cancelled. SKIL Midivisana Engineering Company Private Limited and Jansampada Engineering Company Private Limited have received notice under Section 560(3) of the Companies Act, 1956 for strike off. The striking-off of aforesaid subsidiaries is not expected to have any material impact on the financials of the Company.

Pursuant to Purchase Agreement dated March 04, 2015 executed by the Company along with SKIL Shipyard Holdings Private Limited (wholly owned subsidiary) ('SSHPL'), Grevek Investment and Finance Private Limited ('Grevek') (collectively referred to as 'Sellers'), Mr. Nikhil Gandhi, Mr. Bhavesh Gandhi (collectively along with the Sellers referred as 'Founder Promoters') with Reliance Defence and Engineering Limited (Erstwhile Pipavav Defence and Offshore Engineering Company Limited) ('RDEL'), Reliance Defence Systems Private Limited ('Acquirer') and Reliance Infrastructure Limited ('PAC'), approval of the Members, vide special resolution passed on May 19, 2015 for disinvestment of stake of upto 25.10% held by the Company in RDEL and open offer made by the Acquirer in terms of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011, the Acquirers were to purchase Equity Shares of RDEL from the Sellers (i.e., 9,16,22,315 Equity Shares from the Company and 3,83,77,685 Equity Shares from SSHPL), constituting 17.66 percent of paid-up equity share capital of RDEL at a price of ₹ 63 per share, aggregating ₹ 819 Crore. As at March 31, 2016, 8,13,90,598 Equity Shares, constituting 11.06% of paid-up equity share capital (4,30,12,913 Equity Shares from the Company and 3,83,77,685 Equity Shares from SSHPL) have already been transferred to Reliance Defence Systems Private Limited and the management control of RDEL has been handed over to ADAG group led by Mr. Anil Ambani w.e.f. January 18, 2016. The sale proceeds aggregate to ₹ 513 Crore and the same have been utilized for reduction of debts. Further, action to divest 4,86,09,402 Equity Shares, constituting 6.60% of paid-up equity share capital is in hand. The sale proceeds of the same would aggregate to ₹ 306 Crore.

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the Companies Act, 2013 ('the Act') and the applicable Accounting Standards, the Consolidated Financial Statements of the Company and its Subsidiary Companies, Joint Venture Company, Associate Company forms part of this Annual Report. The unaudited financial statements of SKIL (Singapore) Pte. Ltd., subsidiary of the Company, have been considered for the purpose of consolidation. Also, the financial statements of Urban Infrastructure Holdings Private Limited were not available for consolidation.

The performance and financial position of each of the Subsidiaries, Joint Venture Company and Associate Company is provided in accordance with the provisions of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014 as a separate statement annexed to Financial Statements in prescribed Form AOC – I and hence not repeated here for the sake of brevity.

The Company has formulated a Policy for determining material subsidiaries, which is uploaded on the website of the Company at [www.skilgroup.co.in](http://www.skilgroup.co.in) and can be accessed at [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=93:policy-on-material-subsidiaries&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=93:policy-on-material-subsidiaries&id=13:policies&Itemid=186)

The subsidiary companies created for the purpose of different projects, be it Gujarat-Dwarka Portwest Ltd, Navi Mumbai SMART CITY Infrastructure Limited, SKIL Singapore Pte. Ltd, Chiplun FTWZ Pvt. Ltd, SKIL-Himachal Infrastructure and Tourism Limited, Pipavav Electronic Warfare Systems Private Limited are in the process of getting the desired approvals for respective projects and are likely to provide stellar support to the vision of the parent company, in times to come.

### **Extract of Annual Return**

Pursuant to the provisions of Section 92(3) of the Act read with the Rules thereto, an Extract of the Annual Return of the Company as on March 31, 2016, in the prescribed Form MGT-9 is annexed to this Report as **Annexure I**.

### **Details of Directors and Key Managerial Personnel**

During the year under review, there was no change in Directors of your Company except that Mr. Ajay Khara resigned from the directorship of the Company w.e.f. November 27, 2015 i.e., upon completion of his tenure as Managing Director & Chief Executive Officer. Mr. Ajay Khara was appointed as Chief Executive Officer and Whole-time Key Managerial Personnel (in the category of Chief Executive Officer) of the Company in terms of Section 203 of the Act read with the Rules thereto for a period of two years commencing from November 27, 2015.

Pursuant to the provisions of Section 152 of the Act Mr. Nikhil Gandhi (DIN 00030560) shall retire at the ensuing AGM and being eligible, offers himself for re-appointment. His profile has been given in the Exhibit to the Notice of the ensuing AGM of the Company.

All the Independent Directors have given individual declarations, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Listing Regulations.

Further, there were no changes in Key Managerial Personnel during the year except appointment of Mr. Ajay Khara as CEO as specified above.

### **Details of Remuneration**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure II**.

None of the Directors of the Company are in receipt of any commission from the Company or from any Subsidiary of the Company.

The details of remuneration of the Directors including Key Managerial Personnel for the financial year ended March 31, 2016 are mentioned in the Extract of the Annual Return which is annexed to this Report as Annexure I.

### **Performance Evaluation**

In view of the provisions of the Act and Listing Regulations regarding the performance evaluation of the Directors, Board and its Committees, the Company had devised transparent criteria for performance evaluation after approval by the Nomination & Remuneration Committee/Board of Directors on the basis of which the annual performance evaluation of the Directors, Board and its Committees has been carried out.

The criteria for performance evaluation of Independent Directors are mainly devised based upon the parameter for professional conduct, role, functions and duties laid under Schedule IV to the Act. The Evaluation process focused on various aspects of the functioning of the Board and Committees such as composition of the Board and Committees, participation in discussions, etc. Performance evaluation of individual Directors was on parameters such as attendance, contribution, constructive and active participation etc.

Mr. J. Alexander, Ms. Gayathri Ramachandran and Mr. V. Ramanan, Independent Directors met without the attendance of Non-Independent Directors and Members of the Management. The Independent Directors, inter alia, reviewed the performance of Non-Independent Directors and the Board as a whole; the performance of the Chairman of the Company and assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties. The performance of all Directors was also evaluated by the Nomination and Remuneration Committee.

The Board of Directors considered the performance evaluation of the Directors, Board and Board Committees. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the concerned Director being evaluated and based on the evaluation process, the Board had determined to continue the term of all the Independent Directors.

### **Directors Responsibility Statement**

In accordance with the provisions of Section 134(3)(c) and Section 134(5) of the Act, your Directors confirm that:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit and loss of the Company for that period;
- (c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the asset of the Company and for preventing and detecting fraud and other irregularities;
- (d) The Directors had prepared the annual accounts on a going concern basis;
- (e) The Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### **Number of Board Meetings**

During the Financial Year 2015-16, five meetings of the Board of Directors of the Company were held on May 29, 2015 (adjourned meeting of which was held on May 30, 2015), August 12, 2015, November 05, 2015, November 26, 2015 and February 13, 2016. The maximum time gap between any two consecutive meetings did not exceed one hundred and twenty days.

Additionally, committee meetings were held during the financial year including Audit Committee, which met four times during the year. Further, the disclosure regarding the number of meetings of Board and Committees held during the year, indicating number of meetings attended by each director form part of the Corporate Governance Report.

#### **Audit Committee**

The Audit Committee comprises Mr. V. Ramanan (Chairman), Mr. J. Alexander and Ms. Gayathri Ramachandran as Members. All the recommendations made by the Audit Committee were accepted by the Board. The details with respect to the meetings, terms of reference, etc. of the Audit Committee are given in detail in the Report on Corporate Governance of the Company.

#### **Nomination & Remuneration Policy**

The Nomination and Remuneration Committee comprises Mr. J. Alexander (Chairman), Mr. Nikhil Gandhi, Ms. Gayathri Ramachandran and Mr. V. Ramanan as Members. The terms of reference of the Committee are given in the Report on Corporate Governance of the Company. The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee is duly approved by the Board of Directors of the Company and is annexed to this Report as **Annexure III**.

#### **Corporate Social Responsibility (CSR) Policy**

In compliance with Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014, the Company has established Corporate Social Responsibility (CSR) Committee comprising Mr. Nikhil Gandhi (Chairman), Mr. J. Alexander, Ms. Gayathri Ramachandran and Mr. V. Ramanan as Members. The Corporate Social Responsibility Policy ('CSR Policy') recommended by the CSR Committee of the Directors has been approved by the Board of Directors of the Company. The CSR Policy may be accessed on the Company's website at the link: [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=94:csr-policy&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=94:csr-policy&id=13:policies&Itemid=186)

The statutory disclosure with respect to the CSR Committee and an Annual Report on CSR Activities is annexed to this Report as **Annexure IV**.

#### **Familiarisation Programme**

The Directors of the Company are updated, as and when required, of their role, rights, responsibilities under applicable provisions of the Act and Listing Regulations, nature of industry in which the Company operates, etc. The Company holds Board and the Committee Meetings from time to time. The Board of Directors has complete access to the information within the Company. The Independent Directors have the freedom to interact with the Company's Management. The Directors are also informed of the various developments in the Company through various modes of communication.

The details of familiarization programmes for Independent Directors of the Company are posted on the website of the Company at the link: <http://www.skilgroup.co.in/index.php/2014-05-01-07-26-18/familiarization-programmes-to-ids>

#### **Vigil Mechanism/Whistle Blower Policy**

The Company has implemented Vigil Mechanism/Whistle Blower Policy which encourages the Whistle Blower to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The mechanism provides for adequate safeguards against victimization of Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee, in exceptional cases.

The details of Vigil Mechanism/Whistle Blower Policy are available on the website of the Company at the link: [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=83:whistle-blower-policy&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=83:whistle-blower-policy&id=13:policies&Itemid=186)

## **Risk Management Policy**

Pursuant to the requirement of Section 134 of the Act and Listing Regulations, the Company has already in place a Risk Management Policy. The Company has a robust Risk Management framework to safeguard the organisation from various risks through adequate and timely actions. It is designed to anticipate, evaluate and mitigate risks in order to minimize its impact on the business. The elements of risk as identified for the Company are set out in the Management Discussion and Analysis Report (MDA) forming part of this Annual Report.

## **Statutory Auditors**

The Members of the Company had, at the 31<sup>st</sup> AGM held on September 30, 2014, approved the appointment of M/s. Bharat Shah & Associates, Chartered Accountants, Mumbai, bearing ICAI Registration No. 101249W as the Statutory Auditors of the Company, to hold office from the conclusion of 31<sup>st</sup> AGM until the conclusion of 34<sup>th</sup> AGM to be held in the year 2017, subject to ratification of their appointment at every AGM held after 31<sup>st</sup> AGM.

In view of above, the existing appointment of M/s. Bharat Shah & Associates, which has been ratified by the Audit Committee and the Board of Directors of the Company, is being placed for Members' ratification.

As required under Section 139 of the Companies Act, 2013, the Company has obtained a written consent from the Auditors to such continued appointment and also a certificate from them to the effect that their appointment, if ratified, would be in accordance with the conditions prescribed under the Act and the rules made thereunder, as may be applicable.

## **Auditors' Report**

The Auditors' Report to the Members on the Financial Statements of the Company for the financial year ended March 31, 2016, does not contain any qualification.

## **Internal auditors**

M/s. RSV & Co., Chartered Accountants, Mumbai, have been appointed as Internal Auditors for conducting internal audit of the Company. The Internal Auditors independently evaluate the internal controls systems, monitor implementation of the accounting systems & procedures and statutory compliances. The Audit Committee periodically reviews the reports of the Internal Auditors.

## **Secretarial Auditor**

Pursuant to Section 204 of the Companies Act, 2013, the Board appointed Mr. Virendra G. Bhatt, Company Secretary in Practice, Mumbai, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2015-16. As could be seen from the Secretarial Audit Report as **Annexure V**, the delay/non-filing of requisite disclosure/return/form is due to technical issues/non availability of requisite information/documents. Other observations of the Secretarial Auditor have been addressed under specific headings in the later part of this Report.

## **Particulars of Contracts or Arrangements with Related Parties**

In line with the requirements of the Act and Listing Regulations, your Company has formulated a Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions which is also available on Company's website at [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=91:policy-related-party-transaction&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=91:policy-related-party-transaction&id=13:policies&Itemid=186). The Policy intends to ensure the proper approval and reporting of transactions between the Company and its Related Parties in the best interest of the Company and its stakeholders and in compliance with the laws and regulations applicable from time to time.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is sought for transactions which are of repetitive nature as well as for the normal transactions which cannot be foreseen and accordingly, the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee. All related party transactions attracting compliance under Section 188 and / or Listing Regulations are also placed before the Board for approval, as per the requirement.

In terms of the 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions', all Related Party Transactions entered during the year were in Ordinary Course of the Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statements, were entered during the year by your Company. Hence, the Company has nothing to report in Form AOC-2 and the same is not annexed.

## **Particulars of Loan, Guarantees and Investments**

The Company is engaged in providing infrastructure related facilities and is, therefore, exempted from the regulatory provisions of Section 186 of the Companies Act, 2013. The details of loan, guarantee, security, investment made during the year under review are disclosed in the Notes to the Financial Statements. Also, pursuant to Schedule V of the Listing Regulations, the particulars of Loans/Advances given to Subsidiaries have been disclosed in the notes to the Financial Statements.

**Adequacy of Internal Financial Control with reference to the Financial Statements**

The Company has internal control systems, commensurate with the size, scale and complexity of its operations. The Audit Committee monitors and evaluates the efficacy and adequacy of internal control systems in the Company.

The Company has in place adequate internal financial controls with reference to Financial Statements. The report of the Statutory Auditors states about the existence of adequate internal financial control systems and its operating effectiveness. During the year, no reportable material weakness in the design or operation was observed in the internal financial controls.

**Significant & material orders passed by the regulators or courts or tribunal**

There are no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status and Company's operations in future except as otherwise disclosed in this report.

**Deposits**

The Company has not accepted any deposits within the meaning of Section 73 of the Act read with the rules thereto, during the year under review.

**Sexual Harassment**

During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo**

Considering the nature of business of the Company, there are no particulars to be disclosed relating to the Conservation of Energy, Research and Development and Technology Absorption as required under the Companies (Accounts) Rules, 2014 for the year under review.

Further, the Foreign Exchange Earnings during the year under review is NIL and the Foreign Exchange Outgo is ₹ 19.21 Lacs.

**Employees Remuneration**

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure II.

In terms of Section 136 of the Act, the Annual Report and Financial Statements are being sent to the Members of the Company and others entitled thereto excluding the information pursuant to Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Particulars in this regard will be made available for inspection by the Members at the Registered Office of the Company between 1100 hours to 1300 hours on all working days, except Saturday, up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary in this regard. Upon such request, the information will be made available.

**CEO / CFO Certificate**

The Chief Executive Officer and the Chief Financial Officer have issued certificate pursuant to the provisions of Regulation 17(2) read with Part B of Schedule II of the Listing Regulations certifying the Financial Statements for the financial year ended March 31, 2016. The said certificate forms part of this Report.

**Management Discussion and Analysis**

The Management Discussion and Analysis Report for the year under review as stipulated under Regulation 34 of the Listing Regulations read with Schedule V of the said Regulations forms part of this Annual Report.

**Corporate Governance**

The Company maintains high standards of Corporate Governance and adheres to the corporate governance requirements set out by the Securities and Exchange Board of India (SEBI). A Report on Corporate Governance along with a certificate for compliance with conditions on Corporate Governance as stipulated in the Listing Regulations issued by Mr. Virendra G. Bhatt, Company Secretary in Practice, is annexed to this Report as **Annexure VI**.

**Code of Conduct**

The Board of Directors has adopted the Code of Conduct for the Board Members and Senior Management. A confirmation from the Chief Executive Officer regarding compliance with the said Code by all the Directors and Senior Management forms part of this Annual Report. The Code of Conduct is posted on the website of the Company [www.skilgroup.co.in](http://www.skilgroup.co.in).

**Listing Arrangement**

The Equity Shares of the Company were voluntarily delisted from Calcutta Stock Exchange Limited pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 w.e.f. March 10, 2016. Also, the Equity Shares of the Company were listed on BSE Limited through the direct listing mode w.e.f. May 03, 2016.



As on the date of this Report, the Company's Equity Shares are listed on the National Stock Exchange of India Limited and BSE Limited.

#### **Stamp Duty pursuant to Scheme of Amalgamation and Arrangement**

The Office of the Collector of Stamps (Enforcement – 2), Mumbai had, vide letter dated September 19, 2015, reiterated the demand of stamp duty of ₹ 25 Crores besides interest as per the provisions of Maharashtra Stamp Act, 1958. The Company, having disagreed with the valuation/assessment of stamp duty, had filed an appeal before the Chief Controlling Revenue Authority, Pune, to: (i) Review the Interim Demand Notice/s, (ii) Ascertain the fair and present stamp duty; (iii) For such further and other reliefs as may deem necessary. The Chief Controlling Revenue Authority, Pune has, vide order dated March 02, 2016, rejected the appeal. The Company is exploring all the possible legal options and in the meantime shall provide for the necessary liability.

#### **SEBI**

The consent application filed by the Company before SEBI in the matter of Show cause notice issued under Rule 4 (1) of Securities and Exchange Board of India (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995 and Rule 4 (1) of Securities Contracts (Regulations) (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 2005 is pending.

#### **Remuneration to Managing Director and Chief Executive Officer**

The appointment of Mr. Ajay Khara as Managing Director and Chief Executive Officer of the Company w.e.f. November 27, 2013 for a tenure of two years was duly approved by the Nomination & Remuneration Committee, the Board and thereafter by the Members of the Company in the Annual General Meeting held on September 30, 2014. The remuneration, as approved in tandem with the Scheme of Amalgamation and Arrangement, was subject to the approval of the Central Government in terms of the Companies Act, 2013. The details in connection with clarification sought for in Form MR-2 filed by the Company stands submitted seeking approval of Central Government. Action shall be taken in tandem with the relevant provisions of the Act.

#### **Material Changes and Commitments**

No other material changes and commitments have occurred between the end of financial year of the Company and the date of this report affecting the financial position of the Company as at March 31, 2016 except as otherwise included in this report.

#### **Green Initiative**

In view of the provision of the Act and rules framed thereunder and in support of the Green Initiative of the Ministry of Corporate Affairs, the Company has been sending the Annual Report / Notice of AGM in electronic mode to those Members whose e-mail IDs are registered with the Company and / or the Depository Participants unless any Member has requested for a hard copy of the same.

#### **Appreciations and Acknowledgment**

The Board of Directors wishes to express its sincere appreciation and gratitude to all customers, suppliers, banks, financial institutions, solicitors, advisors, Government of India and other regulatory authorities for their consistent support and co-operation. Your Directors appreciate the contribution made by the employees of the Company and acknowledge their hard work and dedication. Your Directors are also deeply grateful to the Members for the confidence and faith that they have always placed in the Company.

**For and on behalf of the Board of Directors of the Company**

**Place:** Mumbai  
**Date:** August 09, 2016

**Nikhil Gandhi**  
**Chairman**

**ANNEXURE I TO THE DIRECTORS' REPORT**  
**FORM NO. MGT - 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2016**

*(Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014)*

**I REGISTRATION & OTHER DETAILS:**

i	CIN	L36911MH1983PLC178299
ii	Registration Date	21/04/1983
iii	Name of the Company	SKIL Infrastructure Limited
iv	Category/Sub Category of the Company	Company Limited by shares, Indian Non-Government Company
v	Address of the Registered office & contact details	
	Address :	SKIL House, 209, Bank Street Cross Lane, Fort
	Town / City :	Mumbai - 400 023
	State :	Maharashtra
	Country Name :	India
	Telephone (with STD Code) :	+91-22-6619 9000
	Fax Number :	+91-22-2269 6023
	Email Address :	skil@skilgroup.co.in
	Website, if any:	www.skilgroup.co.in
vi	Whether listed company Yes/No	Yes
vii	Name, Address and Contact details of Registrar & Transfer Agents, if any:-	
	Name of RTA:	Link Intime India Private Limited
	Address :	C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400 078
	Telephone :	+91-22-2596 3838
	Fax Number :	+91-22-2594 6969
	Email Address :	rnt.helpdesk@linkintime.co.in

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
	NIL		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –**

No. of Companies for which information is being filled	18
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Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	SKIL Karnataka SEZ Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U45200MH2007PLC173683	Subsidiary	100.00%	2(87)
2	SKIL (Singapore) Pte. Ltd. Add: 10 Jalan Besar #11-05 Sim Lim Tower Singapore (208787)	NA	Subsidiary	100.00%	2(87)
3	SKIL Shipyards Holdings Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U45203MH2005PTC155377	Subsidiary	100.00%	2(87)



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
4	SKIL-Himachal Infrastructure and Tourism Limited Add: W-21, Green Park (Main), New Delhi-110 016, Delhi	U74899DL2005PLC143781	Subsidiary	100.00%	2(87)
5	Pipavav Electronic Warfare Systems Private Limited (Erstwhile SKIL Strategic Deterrence Systems Private Limited) Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U74999MH2010PTC208594	Subsidiary	100.00%	2(87)
6	Energy India Corporation Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U40101MH2008PLC181157	Subsidiary	100.00%	2(87)
7	Gujarat-Dwarka Portwest Limited (Erstwhile Gujarat Positra Port Company Limited) Add: 904 - Labh, Shukan Tower, Opp. Judges Bungalow, Bodakdev, Ahmedabad - 380054, Gujarat	U35117GJ1998PLC034420	Subsidiary	73.60%	2(87)
8	Metrotech Technology Park Pvt Ltd Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U45200MH2006PTC213958	Subsidiary	100.00%	2(87)
9	Jansampada Engineering Company Private Limited (Erstwhile Jansampada Infraproject Private Limited) Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U45400MH2010PTC211545	Subsidiary	100.00%	2(87)
10	Navi Mumbai SMART CITY Infrastructure Limited (Erstwhile Navi Mumbai SMART CITY Infrastructure Private Limited) (Erstwhile Mahakaleshwar Knowledge Infrastructure Pvt. Ltd.) Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U70102MH2007PLC171789	Subsidiary	84.96%	2(87)
11	Chiplun FTWZ Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U51900MH2005PTC157660	Subsidiary	52.00%	2(87)
12	SKIL Advanced Systems Private Limited ('SASPL') Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U74900MH2009PTC196016	Subsidiary	100.00%	2(87)
13	Pipavav Aero Infrastructure Private Limited (100% subsidiary of SASPL) Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U45400MH2010PTC210518	Subsidiary	100.00%	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
14	SKIL Midivisana Engineering Private Limited(100% subsidiary of SASPL) Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U74200MH2011PTC218600	Subsidiary	100.00%	2(87)
15	Reliance Defence and Engineering Ltd (RDEL) Add: Pipavav Shipyard Limited, Pipavav Port, Post Ucchaya, via Rajula, Rajual – 365 560, Gujarat	L35110GJ1997PLC033193	Associate	26.33%*	2(6)
16	Urban Infrastructure Holdings Private Limited Add: Jai Centre, 1st floor, 34, P. D'Mello Road, Opp. Red Gate, Mumbai - 400 009, Maharashtra	U45200MH2005PTC154303	Associate	35.00%	2(6)
17	Rosoboronservice (India) Limited Add: R-700, TTC Industrial Estate, MIDC Rabale, P.O. Ghansoli, Navi Mumbai 400701, Maharashtra	U74999MH2005PLC152890	Associate	20.00%	2(6)
18	Sohar Free Zone LLC Add: P.O. Box 777, P.C 116, Mina Al Fahal, Muscat, Sultanate of Oman	NA	Joint Venture	33.33%	2(6)

\* Out of 193,877,041 Equity shares (26.33%) held by the Company in RDEL, 12,673,913 Equity shares (1.72%) have been invoked by a lender of Subsidiary of an Associate Company. Pursuant to the same, shareholding of the Company in RDEL is 181,203,128 Equity shares (24.61%).

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	5184010	0	5184010	2.39	4992010	0	4992010	2.30	-0.09
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	51497140	0	51497140	23.78	35553090	0	35553090	16.42	-7.36
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any other									
Trust	15242488	0	15242488	7.04	15242488	0	15242488	7.04	0.00
Partnership Firm	87417716	0	87417716	40.36	87410539	0	87410539	40.36	0.00
<b>Sub-total (A) (1)</b>	<b>159341354</b>	<b>0</b>	<b>159341354</b>	<b>73.57</b>	<b>143198127</b>	<b>0</b>	<b>143198127</b>	<b>66.12</b>	<b>-7.45</b>
<b>(2) Foreign</b>									
a) NRIs - Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other - Individual	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>	<b>159341354</b>	<b>0</b>	<b>159341354</b>	<b>73.57</b>	<b>143198127</b>	<b>0</b>	<b>143198127</b>	<b>66.12</b>	<b>-7.45</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	11276659	0	11276659	5.21	11276659	0	11276659	5.21	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B)(1):-</b>	<b>11276659</b>	<b>0</b>	<b>11276659</b>	<b>5.21</b>	<b>11276659</b>	<b>0</b>	<b>11276659</b>	<b>5.21</b>	<b>0.00</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	22658071	160173	22818244	10.54	39128918	0	39128918	18.07	7.53
ii) Overseas	8883692	0	8883692	4.10	7022236	0	7022236	3.24	-0.86
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2811592	29613	2841205	1.31	3368544	29638	3398182	1.57	0.26
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3539023	12500	3551523	1.64	4180383	12500	4192883	1.94	0.30
c) Others (specify)									
c-i) Clearing Member	210714	0	210714	0.10	249177	0	249177	0.12	0.02
c-ii) Non resident Indians (Non Repat)	116691	0	116691	0.05	217543	0	217543	0.10	0.05
c-iii) Non resident Indians (Repat)	294278	0	294278	0.14	366951	0	366951	0.17	0.03
c-iv) Directors / Relatives	0	30	30	0.00	0	0	0	0.00	0.00
c-v) Trust	7236842	0	7236842	3.34	7236842	0	7236842	3.34	0.00
c-vi) HUF	0	0	0	0.00	283714	0	283714	0.13	0.13
<b>Sub-total (B)(2):-</b>	<b>45750903</b>	<b>202316</b>	<b>45953219</b>	<b>21.22</b>	<b>62054308</b>	<b>42138</b>	<b>62096446</b>	<b>28.67</b>	<b>7.45</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>57027562</b>	<b>202316</b>	<b>57229878</b>	<b>26.43</b>	<b>73330967</b>	<b>42138</b>	<b>73373105</b>	<b>33.88</b>	<b>7.45</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>216368916</b>	<b>202316</b>	<b>216571232</b>	<b>100.00</b>	<b>216529094</b>	<b>42138</b>	<b>216571232</b>	<b>100.00</b>	<b>0.00</b>

## ii Shareholding of Promoters\*

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	M/s. Metropolitan Industries, Partnership Firm	87417716	40.36	38.06	87410539	40.36	38.06	0.00
2	Montana Infrastructure Limited	50792841	23.45	23.44	34848791	16.09	16.07	-7.36
3	Sudipan Bhaduri, Jay Mehta, Ketan Shah, Trustees of HCWLL Trust	9308160	4.30	2.78	9308160	4.30	2.78	0.00
4	Sudipan Bhaduri, Jay Mehta, Ketan Shah, Trustees of FDLL Trust	5934328	2.74	1.58	5934328	2.74	1.58	0.00
5	Rupali Gandhi	1213515	0.56	0.55	1213515	0.56	0.55	0.00
6	Nikhil P Gandhi	1177757	0.54	0.54	1177757	0.54	0.54	0.00
7	Bhavesh Prataprai Gandhi	1177757	0.54	0.54	1177757	0.54	0.54	0.00
8	Neha Gandhi	1171422	0.54	0.54	1171422	0.54	0.54	0.00
9	Grevek Investments and Finance Private Limited	476500	0.22	0.19	476500	0.22	0.19	0.00
10	Prataprai Shivilal Gandhi	250934	0.12	0.00	250934	0.12	0.00	0.00
11	Awaita Properties Private Limited	227799	0.11	0.00	227799	0.11	0.00	0.00
12	Akshita Nikhil Gandhi	62300	0.03	0.00	0	0.00	0.00	-0.03
13	Ansh Bhavesh Gandhi	49650	0.02	0.00	0	0.00	0.00	-0.02
14	Anushka Bhavesh Gandhi	49050	0.02	0.00	0	0.00	0.00	-0.02
15	Priyanka Nikhil Gandhi	31000	0.01	0.00	0	0.00	0.00	-0.01
16	Pranay Mehta	625	0.00	0.00	625	0.00	0.00	0.00
	<b>TOTAL</b>	<b>159341354</b>	<b>73.57</b>	<b>68.22</b>	<b>143198127</b>	<b>66.12</b>	<b>60.86</b>	<b>-7.45</b>

\*Includes shareholding of Promoter Group.

## iii Change in Promoters' Shareholding ( please specify, if there is no change)

Sl. No.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	M/s. Metropolitan Industries, Partnership Firm					
	At the beginning of the year		87417716	40.36	87417716	40.36
	Date wise increase/decrease in shareholing during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/ sweat equity, etc.)					
	Decrease					
	Date	Reasons for Decrease				
	01.05.2015	Invocation	7177	0.00	87410539	40.36
	At the end of the year		87410539	40.36	87410539	40.36

Sl. No.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative Shareholing during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	Montana Infrastructure Limited					
	At the beginning of the year		50792841	23.45	50792841	23.45
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	Decrease					
	Date	Reasons for Decrease				
	30.06.2015	Invocation	15666820	7.23	35126021	16.22
	03.09.2015	Invocation	51158	0.02	35074863	16.19
	04.09.2015	Invocation	135508	0.06	34939355	16.13
	07.09.2015	Invocation	72564	0.03	34866791	16.10
	08.09.2015	Invocation	18000	0.01	34848791	16.09
	At the end of the year		34848791	16.09	34848791	16.09
3.	Sudipan Bhaduri, Jay Mehta, Ketan Shah, Trustees of HCWLL Trust					
	At the beginning of the year		9308160	4.30	9308160	4.30
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	9308160	4.30
	At the end of the year		9308160	4.30	9308160	4.30
4.	Sudipan Bhaduri, Jay Mehta, Ketan Shah, Trustees of FDLL Trust					
	At the beginning of the year		5934328	2.74	5934328	2.74
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	5934328	2.74
	At the end of the year		5934328	2.74	5934328	2.74
5.	Rupali Gandhi					
	At the beginning of the year		1213515	0.56	1213515	0.56
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	1213515	0.56
	At the end of the year		1213515	0.56	1213515	0.56
6.	Nikhil P. Gandhi					
	At the beginning of the year		1177757	0.54	1177757	0.54
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	1177757	0.54
	At the end of the year		1177757	0.54	1177757	0.54

Sl. No.	Shareholder's Name		Shareholding at the beginning of the year		Cumulative Shareholing during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
7.	Bhavesht Prataprai Gandhi					
	At the beginning of the year		1177757	0.54	1177757	0.54
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	1177757	0.54
	At the end of the year		1177757	0.54	1177757	0.54
8.	Neha Gandhi					
	At the beginning of the year		1171422	0.54	1171422	0.54
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	1171422	0.54
	At the end of the year		1171422	0.54	1171422	0.54
9.	Grevek Investments and Finance Private Limited					
	At the beginning of the year		476500	0.22	476500	0.22
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	476500	0.22
	At the end of the year		476500	0.22	476500	0.22
10.	Prataprai Shivlal Gandhi					
	At the beginning of the year		250934	0.12	250934	0.12
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	250934	0.12
	At the end of the year		250934	0.12	250934	0.12
11.	Awaita Properties Private Limited					
	At the beginning of the year		227799	0.11	227799	0.11
	Date wise increase/decrease in shareholding during the year specifying the reasons for suchincrease/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	227799	0.11
	At the end of the year		227799	0.11	227799	0.11
12.	Akshita Nikhil Gandhi					
	At the beginning of the year		62300	0.03	62300	0.03
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	Decrease					
	Date	Reasons for Decrease				
	01.05.2015	Disinvestment pursuant to SEBI Order	17500	0.01	44800	0.02
	10.07.2015	Disinvestment pursuant to SEBI Order	44800	0.02	0	0.00
	At the end of the year		0	0.00	0	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
13.	<b>Ansh Bhavesh Gandhi</b>				
	At the beginning of the year	49650	0.02	49650	0.02
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)				
	<b>Decrease</b>				
	<b>Date</b>	<b>Reasons for Decrease</b>			
	17.07.2015	Disinvestment pursuant to SEBI Order		0	0.00
	At the end of the year	0	0.00	0	0.00
14.	<b>Anshuka Bhavesh Gandhi</b>				
	At the beginning of the year	49050	0.02	49050	0.02
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)				
	<b>Decrease</b>				
	<b>Date</b>	<b>Reasons for Decrease</b>			
	10.07.2015	Disinvestment pursuant to SEBI Order		0	0.00
	At the end of the year	0	0.00	0	0.00
15.	<b>Priyanka Nikhil Gandhi</b>				
	At the beginning of the year	31000	0.01	31000	0.01
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)				
	<b>Increase</b>				
	<b>Date</b>	<b>Reasons for Decrease</b>			
	10.07.2015	Disinvestment pursuant to SEBI Order		0	0.00
	At the end of the year	0	0.00	0	0.00
16.	<b>Pranay Mehta</b>				
	At the beginning of the year	625	0.00	625	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)	-	-	625	0.00
	At the end of the year	625	0.00	625	0.00



## iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	SREI Infrastructure Finance Limited					
	At the beginning of the year		2000000	0.92	2000000	0.92
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	Increase					
	Date	Reason for Increase				
	30.06.2015	Transfer on account of invocation	15666820	7.23	17666820	8.16
	At the end of the year (or on the date of separation, if separated during the year)		17666820	8.16	17666820	8.16
2.	Ashoka Investment Holdings Limited					
	At the beginning of the year		11276659	5.21	11276659	5.21
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	11276659	5.21
	At the end of the year (or on the date of separation, if separated during the year)		11276659	5.21	11276659	5.21
3.	Ashwini Infrastructure Private Limited					
	At the beginning of the year		9147753	4.22	9147753	4.22
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	9147753	4.22
	At the end of the year (or on the date of separation, if separated during the year)		9147753	4.22	9147753	4.22
4.	SKIL Group Employees Welfare Trust 2011					
	At the beginning of the year		7236842	3.34	7236842	3.34
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	7236842	3.34
	At the end of the year (or on the date of separation, if separated during the year)		7236842	3.34	7236842	3.34
5.	Karanja Infrastructure Private Limited					
	At the beginning of the year		6205441	2.87	6205441	2.87
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	Increase					
	Date	Reason for Increase				
	26.06.2015	Purchase	289688	0.13	6495129	3.00
	03.07.2015	Purchase	35564	0.02	6530693	3.02
	10.07.2015	Purchase	254748	0.12	6785441	3.13
	14.08.2015	Purchase	50000	0.02	6835441	3.16

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	21.08.2015	Purchase	5000	0.00	6840441	3.16
	11.09.2015	Purchase	14356	0.01	6854797	3.17
	18.09.2015	Purchase	8249	0.00	6863046	3.17
	20.11.2015	Purchase	30000	0.01	6893046	3.18
	01.01.2016	Purchase	200000	0.09	7093046	3.28
	08.01.2016	Purchase	1834	0.00	7094880	3.28
	15.01.2016	Purchase	387	0.00	7095267	3.28
	22.01.2016	Purchase	71101	0.03	7166368	3.31
	05.02.2016	Purchase	1253920	0.58	8420288	3.89
	At the end of the year (or on the date of separation, if separated during the year)		8420288	3.89	8420288	3.89
6.	<b>Ambadevi Mauritius Holding Limited</b>					
	At the beginning of the year		3382631	1.56	3382631	1.56
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	3382631	1.56
	At the end of the year (or on the date of separation, if separated during the year)		3382631	1.56	3382631	1.56
7.	<b>BALYASNY SI Limited</b>					
	At the beginning of the year		2282434	1.05	2282434	1.05
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	<b>Decrease</b>					
	<b>Date</b>	<b>Reason for Decrease</b>				
	17.04.2015	Transfer	75408	0.03	2207026	1.01
	24.04.2015	Transfer	28614	0.01	2178412	1.01
	At the end of the year (or on the date of separation, if separated during the year)		2178412	1.01	2178412	1.01
8.	<b>M2N2 Partners Limited</b>					
	At the beginning of the year		1461193	0.67	1461193	0.67
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	1461193	0.67
	At the end of the year (or on the date of separation, if separated during the year)		1461193	0.67	1461193	0.67
9.	<b>Dominent Financial Services Private Limited</b>					
	At the beginning of the year		912973	0.42	912973	0.42
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)		-	-	912973	0.42
	At the end of the year (or on the date of separation, if separated during the year)		912973	0.42	912973	0.42

Sl. No.	For Each of the Top 10 Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
10.	<b>Rashi Fincorp Ltd.</b>					
	At the beginning of the year		0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	<b>Increase</b>					
	<b>Date</b>	<b>Reason for Increase</b>				
	21.08.2015	Purchase	490000	0.23	490000	0.23
	At the end of the year (or on the date of separation, if separated during the year)		490000	0.23	490000	0.23
11.	<b>Lighthouse (Mauritius) Limited</b>					
	At the beginning of the year		1757434	0.81	1757434	0.81
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	<b>Decrease</b>					
	<b>Date</b>	<b>Reason for Decrease</b>				
	05.06.2015	Transfer	42903	0.02	1714531	0.79
	12.06.2015	Transfer	358361	0.17	1356170	0.63
	19.06.2015	Transfer	525494	0.24	830676	0.38
	26.06.2015	Transfer	830676	0.38	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)		0	0.00	0	0.00
12.	<b>Krosslink Infrastructure Limited</b>					
	At the beginning of the year		1274834	0.59	1274834	0.59
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity, etc.)					
	<b>Decrease</b>					
	<b>Date</b>	<b>Reason for Decrease</b>				
	29.01.2016	Transfer	500000	0.23	774834	0.36
	05.02.2016	Transfer	774834	0.36	0	0.00
	At the end of the year (or on the date of separation, if separated during the year)		0	0.00	0	0.00

## v Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	<b>Mr. Nikhil Gandhi, Chairman*</b>				
	At the beginning of the year	1177757	0.54	1177757	0.54
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	1177757	0.54
	At the end of the year	1177757	0.54	1177757	0.54

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
2.	<b>Mr. Bhavesh Gandhi, Vice Chairman*</b>				
	At the beginning of the year	1177757	0.54	1177757	0.54
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	1177757	0.54
	At the end of the year	1177757	0.54	1177757	0.54
3.	<b>Mr. J. Alexander, Independent Director</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	0	0.00
	At the end of the year	0	0.00	0	0.00
4.	<b>Ms. Gayathri Ramachandran, Independent Director</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	0	0.00
	At the end of the year	0	0.00	0	0.00
5.	<b>Mr. V. Ramanan, Independent Director</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	0	0.00
	At the end of the year	0	0.00	0	0.00
6.	<b>Mr. Ajay Khara, Chief Executive Officer</b>				
	At the beginning of the year	10	0.00	10	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	10	0.00
	At the end of the year	10	0.00	10	0.00
7.	<b>Mr. Nilesh Mehta, Company Secretary</b>				
	At the beginning of the year	1010	0.00	1010	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	1010	0.00
	At the end of the year	1010	0.00	1010	0.00

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
8.	<b>Mr. Sudipan Bhaduri, Chief Financial Officer</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment/transfer/ bonus/sweat equity, etc.)	-	-	0	0.00
	At the end of the year	0	0.00	0	0.00

\*Reflects shareholding in individual capacity.

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	125,945.23	105,440.00	-	231,385.23
ii) Interest due but not paid	9,834.08	1,059.81	-	10,893.89
iii) Interest accrued but not due	507.75	-	-	507.75
<b>Total (i+ii+iii)</b>	<b>136,287.06</b>	<b>106,499.81</b>	<b>-</b>	<b>242,786.87</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	12,097.24	204.00	-	12,301.24
* Reduction	-15,512.35	-254.00	-	-15,766.35
<b>Net Change</b>	<b>-3,415.11</b>	<b>- 50.00</b>	<b>-</b>	<b>-3,465.11</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	122,530.12	105,390.00	-	227,920.12
ii) Interest due but not paid	2,335.54	334.36	-	2,669.90
iii) Interest accrued but not due	408.51	-	-	408.51
<b>Total (i+ii+iii)</b>	<b>125,274.17</b>	<b>105,724.36</b>	<b>-</b>	<b>230,998.53</b>

# Unsecured loan includes Redeemable Non Convertible Bonds issued by Company

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ in Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Ajay Khera, Managing Director and Chief Executive Officer*	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	65.54	65.54
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1.13	1.13
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>66.67</b>	<b>66.67</b>
	Ceiling as per the Act	Subject to Central Government approval as elaborated in the Directors' Report	

\* Mr. Ajay Khera resigned from the directorship of the Company w.e.f. November 27, 2015 i.e., upon completion of his tenure as Managing Director & Chief Executive Officer.

**B. Remuneration to other directors:**

(₹ in Lacs)

Particulars of Remuneration	Independent Directors			Other Non-Executive Directors		Total Amount
Name of Directors	Mr. J. Alexander	Ms. Gayathri Ramachandran	Mr. V. Ramanan	Mr. Nikhil Gandhi	Mr. Bhavesh Gandhi	
Fee for attending board committee meetings	2.40	2.20	2.40	-	-	7.00
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
<b>Total</b>	<b>2.40</b>	<b>2.20</b>	<b>2.40</b>	-	-	<b>7.00</b>

**C. Remuneration to Key Managerial Personnel other than MD/MANAGER/WTM:**

(₹ in Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Ajay Khera (CEO)*	Mr. Sudipan Bhaduri (CFO)	Mr. Nilesh Mehta (Company Secretary)	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	34.46	60.00	36.00	130.46
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.60	0.40	0.40	1.40
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total</b>	<b>35.06</b>	<b>60.40</b>	<b>36.40</b>	<b>131.86</b>

\* Mr. Ajay Khera was appointed as Chief Executive Officer and Whole-time Key Managerial Personnel (in the category of Chief Executive Officer) of the Company in terms of Section 203 of the Companies Act, 2013 read with the Rules thereto for a period of two years commencing from November 27, 2015.

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

## ANNEXURE II TO THE DIRECTORS' REPORT

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) **The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2015-16 and percentage increase in remuneration of each Director and KMP in the financial year 2015-16:**

Name	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase/decrease in remuneration during FY 2015-16
Mr. Nikhil Gandhi	Chairman	0.00	0.00
Mr. Bhavesh Gandhi	Vice Chairman	0.00	0.00
Mr. Ajay Khera	Managing Director & Chief Executive Officer <sup>#</sup>	11.13	0.00
Mr. Sudipan Bhaduri	Chief Financial Officer	-	0.00
Mr. Nilesh Mehta	Company Secretary	-	0.00

<sup>#</sup> Mr. Ajay Khera resigned from the directorship of the Company w.e.f. November 27, 2015 i.e., upon completion of his tenure as Managing Director & Chief Executive Officer. He was appointed as Chief Executive Officer and Whole-time Key Managerial Personnel (in the category of Chief Executive Officer) of the Company in terms of Section 203 of the Companies Act, 2013 read with the Rules thereto for a period of two years commencing from November 27, 2015.

- (ii) **The percentage increase in the median remuneration of employees in the financial year:** 7.56%
- (iii) **The number of permanent employees on the rolls of the Company:** 16 Employees as on March 31, 2016.
- (iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average percentile increase in the salaries of employees other than the managerial personnel is 9.06%. There has been no increase in the Managerial Remuneration during the financial year 2015-16. Hence, comparison is not applicable.
- (v) **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



## **ANNEXURE III TO THE DIRECTORS' REPORT**

### **NOMINATION & REMUNERATION POLICY**

#### **LEGAL FRAMEWORK**

This Policy has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of SKIL Infrastructure Limited (Erstwhile Horizon Infrastructure Limited) (hereinafter referred to as the "Company" or "SKIL") in accordance with the requirement of revised Clause 49 of the Listing Agreement which became effective from October 1, 2014 and the provisions of Section 178 of the Companies Act, 2013 read with the Rules thereunder.

This Policy is intended to lay down a framework in relation to remuneration of Directors, Key Managerial Personnel ("KMP"), Senior Management and other employees.

#### **DEFINITIONS**

1. **"Act"** means Companies Act, 2013 & rules made thereunder, including any modifications, clarifications, amendments, circulars or re-enactment thereof.
2. **"Board of Directors"** or **"Board"** means the Board of Directors of the Company, as constituted from time to time.
3. **"Committee"** means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board.
4. **"Independent Director"** means a director who satisfies the criteria for independence as prescribed under Section 149 of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').
5. **"Key Managerial Personnel"** in relation to a company, means—
  - (i) the Chief Executive Officer or the Managing Director or the Manager;
  - (ii) the Company Secretary;
  - (iii) the Whole-Time Director;
  - (iv) the Chief Financial Officer; and
  - (v) such other officer as may be prescribed;
6. **"Policy"** means this Policy, as may be amended from time to time.
7. **"Senior Management"** shall mean officers / personnel of the Company who are members of its core Management team excluding Board of Directors and normally shall comprise all members of Management one level below the Executive Directors, including all functional heads.

#### **MEMBERSHIP**

- i) The Committee shall consist of a minimum 3 Non-Executive Directors, of which at least fifty percent of the directors shall be independent directors.
- ii) A minimum of two (2) Members shall constitute a quorum for the Committee Meeting.
- iii) Term of the Committee shall be continued unless terminated by the Board of Directors.

#### **CHAIRPERSON**

- i) The Chairperson of the Committee shall be an Independent Director.
- ii) The Chairperson of the Company (whether executive or non-executive) may be appointed as a Member of the Committee but shall not chair the Committee.
- iii) In the absence of the Chairperson, the Members of the Committee present at the Meeting shall choose one amongst them to act as Chairperson.
- iv) The Chairperson of the Committee or in his absence, any other Member of the Committee authorised by him/her in this behalf, shall attend the General Meetings of the Company to answer the shareholders' queries.

#### **FREQUENCY OF MEETINGS**

The Meeting of the Committee shall be held at such regular intervals as may be required.

#### **ROLE/TERMS OF REFERENCE OF THE COMMITTEE**

The role/terms of reference of the Committee include:

- i) Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, KMP and other employees;
- ii) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- iii) Devising a policy on diversity of Board of Directors;

- iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- v) Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- vi) Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

**POLICY FOR APPOINTMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL****I) General appointment criteria:**

- i) The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii) The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel does not stand disqualified under the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.
- iii) The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the applicable provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

**II) Other appointment criteria:**

Enhancing the competency of the Board and attracting as well as retaining talented employees for role of KMP/ Senior Management Personnel shall be the basis for the Committee to select a candidate for his/her appointment. When recommending a candidate for appointment, the Committee shall be:

- i) Assessing the appointee against a range of criteria which includes but not be limited to qualifications, skills, regional and industry experience, background and other qualities required to operate successfully in the position, with due regard for the benefits in diversifying the Board;
- ii) The extent to which the appointee is likely to contribute to the overall effectiveness of the Board, work constructively with the existing Directors/ KMP/ Senior Management Personnel and enhance the efficiency of the Company;
- iii) The qualification, skills and experience that the appointee brings to the designated role and how an appointee will enhance the skill sets and experience of the Board/Company as a whole;
- iv) The nature of existing positions held by the appointee including directorships or other relationships and the impact they may have on the appointee's ability to exercise independent judgment;
- v) The appointment of Independent Directors shall be subject to compliance of provisions of Listing Regulations and Section 149 of the Companies Act, 2013, read with schedule IV and rules thereunder.

**III) Term / Tenure of appointment of Managing Director/Whole-Time Director/ Manager and Independent Director:****i) Managing Director/Whole-time Director/Manager (Managerial Person):**

The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who is below the age of 21 years or who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

**ii) Independent Director**

- a) An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.
- b) No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.
- c) At the time of appointment of Independent Director, it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**IV) Evaluation**

The evaluation/assessment of the Directors of the Company is to be conducted on an annual basis as per the requirements of the Companies Act, 2013 and the Listing Regulations.

## **V) Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013 or under any other applicable Act, rules and regulations there under, the Committee may recommend to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations. The removal shall also be based on principles of natural justice.

## **VI) Retirement**

The Director, KMP and Senior Management Personnel shall retire as per the Company's rules and as per provisions of the Companies Act, 2013, wherever applicable.

## **POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT/OTHER EMPLOYEES**

### **I) Remuneration to Directors, KMP and Senior Management:**

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMP and Senior Management.

The Directors, KMP and other Senior Management's salary shall be based & determined on the individual person's responsibilities, performance, experience, leadership abilities, initiative taking abilities and knowledge base and also in accordance with the limits as prescribed statutorily, if any.

The remuneration to Directors, KMP and other Senior Management will be determined by the Committee and recommended to the Board for approval. The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

While recommending the remuneration, the Committee shall take into account the relevant factors such as market, business performance and practices in comparable companies, financial and commercial health of the Company as well as prevailing laws and government/other guidelines.

### **II) Remuneration to Non-executive / Independent Director:**

The remuneration to Non-executive / Independent Director shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

The Non-Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof, provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee. The Non-Executive / Independent Director may receive Commission within the monetary limit approved by shareholders.

An Independent Director shall not be entitled to any stock option of the Company.

### **III) Remuneration to other employees**

The authority to determine remuneration and terms of appointment of other employees stands delegated to the Managing Director / Chief Executive Officer of the Company.

### **IV) Remuneration to KMP, Senior Management, other employees who have been transferred from the Transferor Companies upon amalgamation**

The Hon'ble High Court of Judicature at Bombay passed the order on September 20, 2013, for approving the Scheme of Amalgamation and Arrangement between erstwhile SKIL Infrastructure Limited, Horizon Country Wide Logistics Limited and Fastlane Distriparks & Logistics Limited (collectively referred to as "Transferor Companies") with the Company ("Scheme"). The Scheme became effective from September 28, 2013. Pursuant to and as envisaged in the Scheme, all the employees of the Transferor Companies on Effective Date of Scheme became the employees of the Company without any break or interruption in their service and on terms and conditions not less favourable than those on which they were respectively engaged by the Transferor Companies as on the Effective Date and the Company shall not vary the terms and conditions of the employment of its employees, except in the ordinary course of business.

In terms of the High Court Order, the KMP, Senior Management, other employees who have been transferred from the Transferor Companies shall receive remuneration pursuant to the said Order, subject to necessary statutory approvals, wherever required.

## **DUTIES IN RELATION TO NOMINATION MATTERS**

The duties of the Committee in relation to nomination matters include:

- i) Ensuring that there is an appropriate induction in place for new Directors and Members of Senior Management and reviewing its effectiveness;
- ii) Ensuring that on appointment to the Board, Non-Executive Directors receive a formal letter of appointment in accordance with the Guidelines provided under the Act;
- iii) Determining the appropriate size, diversity and composition of the Board;
- iv) Developing a succession plan for the Board and Senior Management;

- v) Evaluating the performance of the Board members and Senior Management in the context of the Company's performance from business and compliance perspective;
- vi) Making recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provision of the law and their service contract;
- vii) Recommend any necessary changes to the Board; and
- viii) Considering any other matters, as may be requested by the Board.

**DUTIES IN RELATION TO REMUNERATION MATTERS**

The duties of the Committee in relation to remuneration matters include:

- i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully.
- ii) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii) The remuneration to Directors, KMP and Senior Management of the Company involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- iv) To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

**COMMITTEE MEMBERS' INTERESTS**

- i) A Member of the Committee is not entitled to be present when his or her own remuneration is discussed at a Meeting or when his or her performance is being evaluated.
- ii) The Committee may invite such executives, as it considers appropriate, to be present at the Meetings of the Committee.

**VOTING**

- i) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- ii) In the case of equality of votes, the Chairman of the Meeting will have a casting vote.

**DISCLOSURES**

As per the Companies Act, 2013, this Policy shall be disclosed in the Board's Report of the Company.

**MISCELLANEOUS**

Any terms used in this policy but not defined herein shall have the same meaning ascribed to it in the Companies Act, 2013 or Rules made thereunder, SEBI Act or Rules and Regulations made thereunder, Listing Regulations or any other relevant legislation / law applicable to the Company.

**AMENDMENT**

The Board of Directors on its own and / or as per the recommendations of Nomination and Remuneration Committee can amend this Policy, as and when deemed fit.

In case of any subsequent amendment/modification in the Listing Regulations, the Companies Act, 2013 and/or other applicable laws in this regard shall automatically apply to this Policy.

## ANNEXURE IV TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Clause (o) of Sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

The CSR Policy of the Company may be accessed on the Company's website at the link [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=94:csr-policy&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=94:csr-policy&id=13:policies&Itemid=186)

As a part of Corporate Social Responsibility, the Company shall endeavor to provide adequate budget for CSR project/program in consonance with Schedule VII of the Companies Act, 2013, with emphasis on Skill Development, Educational Development, Handicrafts & Handloom Development in the areas which are contiguous to the project sites getting developed by the Company.

2. The Composition of the CSR Committee: The Committee presently comprises of Mr. Nikhil Gandhi (Chairman), Mr. J. Alexander, Ms. Gayathri Ramachandran and Mr. V. Ramanan as Members.
3. Average net profit of the Company for last three financial years: Not Applicable, since the Company has incurred average net loss for last three financial years.
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above): Not Applicable
5. Details of CSR spent during the financial year:
  - (a) Total amount to be spent for the financial year: Not Applicable
  - (b) Amount unspent, if any: Not Applicable
  - (c) Manner in which the amount spent during the financial year is detailed below: Not Applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub – heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency
	Total	-	-	-	-	-	-

6. In case the Company has failed to spend two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report: Since the Company has incurred average net loss for last three financial years, the Company was constrained not to expend on CSR activities.
7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company: The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Ajay Khera**  
Chief Executive Officer

**Nikhil Gandhi**  
Chairman of CSR Committee

**ANNEXURE V TO THE DIRECTORS' REPORT**

Form No. MR-3

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
SKIL Infrastructure Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SKIL Infrastructure Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provides me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 generally complied with the statutory provisions listed hereunder:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under (Not applicable during the audit period);
- (iv) Foreign Exchange Management Act, 1999 & the rules & regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment & External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 (SEBI Act):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - Though the following laws are prescribed in the format of Secretarial Audit Report by the Government, the same were not applicable to the Company for the financial year ended 31<sup>st</sup> March, 2016:-
    - (a) The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009;
    - (b) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
    - (c) The Securities and Exchange Board of India (Issue & listing of Debt securities) Regulations, 2008;
    - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
  - (vi) The operations of the Company include a composite range of activities in the Infrastructure Business. In our opinion, the Company being operating in the aforesaid diversified activities, various laws/ regulations are applicable to it. In the absence of any identifiable specific major law/ regulation under which the sector and the Company operates, we are not in a position to identify and report the same in our report.
- (vii) I have also examined compliance with the applicable clauses of the following:
  - (a) The Listing Agreements entered into by the Company with the stock exchanges viz., National Stock Exchange Limited and The Calcutta Stock Exchange Ltd and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
  - (b) The Company has prima facie complied with Secretarial Standards 1 & 2 Issued by the Institute of Company Secretaries of India.

I report that Stamp duty of Rs. 23.5 crores is pending pursuant to the scheme of amalgamation.

I further report that for appointment and remuneration of Mr. Ajay Khara as Managing Director, the Company had replied to the Central Government letter. Till date, direction from Central Government is not received and excess payment to Mr. Ajay Khara is held in trust with him for the Company till A formal Approval from Central Government is received.

I further report that the Company has not filed Form CHG-1 in respect of a Vehicle loan.



I further report that filing of annual return on foreign assets and liabilities with RBI is pending.

I further report the company has in a few cases delayed in filing disclosures pursuant to regulation 31(1) and regulation 31(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011.

During the period under review, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that I rely on statutory auditor's reports in relation to the financial statements and accuracy of financial figures for, Sales Tax, Wealth Tax, Value Added Tax, Related Party Transactions, Provident Fund, ESIC, etc. as disclosed under financial statements, Accounting Standard 18 & note on foreign currency transactions during our audit period and I have not verified the correctness and appropriateness of the books of accounts of the Company.

I further report that the board of directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors & Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

I further report that as per the information provided, generally adequate notice is given to all directors to schedule the Board Meetings, agenda & detailed notes on agenda were sent at least seven days in advance & a system exists for seeking & obtaining further information & clarifications on agenda items before the meeting & for meaningful participation at the meeting.

During the period of Audit, all the decisions in the Board meeting were carried out.

I further report that there are generally adequate systems & processes in the Company commensurate with the size & operations of the Company to monitor & ensure compliance with applicable laws, rules, regulations & guidelines.

I further report that the management is responsible for compliances of all business laws. This responsibility includes maintenance of statutory registers/records required by the concerned authorities and internal control of the concerned department.

I further report that during the audit period, the Company has no specific events like Public/Right/Preferential issue of shares/debentures/sweat equity, etc

I further report that:

1. Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. Wherever required, I have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
4. The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. My examination was limited to the verification of procedures on test basis.
5. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

**Place: Mumbai**  
**Date: 09/08/2016**

**Virendra Bhatt**  
**ACS No – 1157**  
**COP No – 124**



## ANNEXURE VI TO THE DIRECTORS' REPORT

### REPORT ON CORPORATE GOVERNANCE

In compliance with the Corporate Governance requirements as stipulated in Schedule V(C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), a Report on Corporate Governance is set out below:

#### 1. A BRIEF STATEMENT ON COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:

The Company's philosophy on the Code of Corporate Governance envisions attainment of the highest levels of integrity, professionalism, transparency, accountability and fairness in respect of Company's operations, actions and achievement of highest internal standards in its governance. It aims to enhance shareholders' value and achieve the high standards of governance practices.

#### 2. BOARD OF DIRECTORS ('BOARD'):

##### (i) Composition and category of the Directors:

As on March 31, 2016, the Board consists of five Directors including one Non-Executive Chairman, one Non-Executive Vice-Chairman and 3 Independent Directors. Out of the 3 Independent Directors, 1 is a Women Director. The composition of the Board is in conformity with the requirements of Regulation 17(1) of the Listing Regulations. The Chairman of the Board is a Non-Executive-Promoter Director.

All the Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013 and the Listing Regulations. Formal Letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the website of the Company.

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Regulation 16 of the Listing Regulations and Section 149(6) of the Companies Act, 2013 and that none of the Independent Directors of the Company are serving as an Independent Director in more than seven listed companies. Independent Directors endeavor to hold at least one meeting in a year without the attendance of Non-Independent Directors and the Members of the Management.

As mandated by Regulation 26(1) of the Listing Regulations, none of the Directors of the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all Public Limited Companies in which they are Directors. The disclosures made by the Directors regarding Board and Committee Memberships held by them in other companies have been duly recorded by the Board in its meetings from time to time.

A detailed chart showing the names and categories of the Directors on the Board, number of other Directorships and Committee Chairmanships/Memberships held by them in other Companies as on March 31, 2016 are given below:

Name of the Directors	Category of Directorship	Designation	Other Directorships as on March 31, 2016 [Ref Note (i)]	No. of Committee positions held in other Public Companies [Ref Note (ii)]	
				Chairman	Member
Mr. Nikhil Gandhi	Promoter, Non-Executive, Non-independent	Chairman	6	--	5
Mr. Bhavesh Gandhi	Promoter, Non- Executive Non-Independent	Vice Chairman	5	--	1
Mr. J. Alexander	Non-Executive, Independent	Director	7	2	3
Ms. Gayathri Ramachandran	Non-Executive, Independent	Director	9	2	4
Mr. V. Ramanan	Non-Executive, Independent	Director	8	4	4

**Note:** (i) Other Directorships excludes Directorship in Foreign Companies, Private Limited Companies, Companies under Section 8 of the Companies Act, 2013 and Companies in which the Directors hold office as an Alternate Director. (ii) No. of Committee positions held in other Public Companies includes Chairmanships/Memberships of only Audit Committee and Stakeholders' Relationship Committee as mandated under Regulation 26(1) of the Listing Regulations.

None of the Directors of the Company are related to any other Director, except Shri Nikhil Gandhi and Shri Bhavesh Gandhi, who are related to each other as brothers.

##### (ii) Meetings and Attendance during the year ended March 31, 2016:

During the financial year 2015-16, 5 (Five) Meetings of the Board of Directors were held on May 29, 2015 (adjourned meeting of May 29, 2015 was held on May 30, 2015), August 12, 2015, November 05, 2015, November 26, 2015 and February 13, 2016.

The attendance of each Director at the said Board Meetings and at the 32<sup>nd</sup> Annual General Meeting held on December 28, 2015, is given below:

Name of the Directors	No. of Board Meetings Held [Ref Note (i)]	No. of Board Meetings attended	Attendance at the last AGM
Mr. Nikhil Gandhi	5	2	No
Mr. Bhavesh Gandhi	5	3	No
Mr. J. Alexander	5	5	Yes
Ms. Gayathri Ramachandran	5	5	No
Mr. V. Ramanan	5	5	No
Mr. Ajay Khera*	4	3	-

**Note:** (i) No. of Board Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2015-16.

\* Mr. Ajay Khera resigned from the directorship of the Company w.e.f. November 27, 2015 i.e., upon completion of his tenure as Managing Director & Chief Executive Officer.

### 3. AUDIT COMMITTEE:

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with the Rules thereto and Regulation 18 of the Listing Regulations. At the Board Meeting of the Company held on November 05, 2015, the Board had revised the terms of reference and role of the Audit Committee to be in tandem with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations.

#### (i) Brief description of terms of reference:

The terms of reference of the Audit Committee, inter alia, include the following:

- (1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) Changes, if any, in accounting policies and practices and reasons for the same;
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) Modified opinion(s) in the draft audit report;
- (5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- (6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- (7) Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- (8) Approval or any subsequent modification of transactions of the Company with related parties;
- (9) Scrutiny of inter-corporate loans and investments;
- (10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- (11) Evaluation of internal financial controls and risk management systems;
- (12) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (14) Discussion with internal auditors of any significant findings and follow up there on;

- (15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (16) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (17) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (18) To review the functioning of the whistle blower mechanism;
- (19) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (20) Carrying out any other function as is mentioned in the terms of reference of the audit committee; and
- (21) Carrying out any other function as may from time to time be required under any statutory, contractual or other regulatory requirement.

**Review of information by Audit Committee:**

1. Management discussion and analysis of financial condition and results of operations;
  2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
  4. Internal audit reports relating to internal control weaknesses;
  5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee; and
  6. Statement of deviations
- (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1)
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

Further, Audit committee has been granted powers as prescribed under Regulation 18(2)(c) of the Listing Regulations.

The Audit Committee of the Company meets and interacts periodically with the Senior Management Personnel which gives the Audit Committee a deeper insight into the workings.

**(ii) Composition:**

During the year, Audit Committee was re-constituted w.e.f. November 26, 2015 upon resignation of Mr. Ajay Khara as Director of the Company w.e.f November 27, 2015. Therefore post reconstitution and as on March 31, 2016, the Audit Committee comprises 3 (Three) Directors, viz. Mr. V. Ramanan (Chairman), Mr. J. Alexander and Ms. Gayathri Ramachandran as Members.

The Chief Executive Officer, Chief Financial Officer and the Auditors are the permanent invitee to the Audit Committee. The Company Secretary of the Company is the Secretary to the Committee.

**(iii) Meetings and Attendance during the year ended March 31, 2016:**

During the financial year 2015-16, 4 (Four) Meetings of the Members of Audit Committee were held on May 29, 2015 (adjourned meeting was held on May 30, 2015), August 12, 2015, November 05, 2015 and February 13, 2016. Required quorum was present at all the Meetings.

The details of the Committee meetings held and attendance at the meetings are given below:

Sr. No.	Name of the Members	No. of Meetings	
		Held [Ref Note (i)]	Attended
1	Mr. V. Ramanan	4	4
2	Mr. J. Alexander	4	4
3	Ms. Gayathri Ramachandran	4	4
4	Mr. Ajay Khara*	3	3

**Note:** (i) No. of Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2015-16.  
(ii) The Chairman of the Audit Committee could not attend the last Annual General Meeting of the Company due to his personal exigencies.

\*Mr. Ajay Khara resigned from the directorship of the Company w.e.f. November 27, 2015 i.e., upon completion of his tenure as Managing Director & Chief Executive Officer.

#### **4. NOMINATION & REMUNERATION COMMITTEE:**

The Nomination and Remuneration Committee of the Company is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules thereto and Regulation 19 of the Listing Regulations.

At the Board Meeting of the Company held on November 05, 2015, the Board had revised terms of reference/powers of the Nomination and Remuneration Committee to be in tandem with the provisions of Section 178 of the Companies Act, 2013 and the Regulation 19 of the Listing Regulations.

##### **(i) Brief descriptions of terms of reference:**

The terms of reference of the Nomination and Remuneration Committee, inter alia, include the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a Policy relating to the Remuneration of the Directors, Key Managerial Personnel and other Employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a Policy on Diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
6. Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

##### **(ii) Composition:**

As on March 31, 2016, the Nomination and Remuneration Committee comprises 4 (four) Directors, viz. Mr. J. Alexander (Chairman), Mr. Nikhil Gandhi, Ms. Gayathri Ramachandran and Mr. V. Ramanan as Members.

##### **(iii) Meetings and Attendance during the year ended March 31, 2016:**

During the financial year 2015-16, 1 (One) Meeting of the Members of Nomination and Remuneration Committee was held on November 05, 2015. Required quorum was present at the Meeting.

The details of the Committee Meetings held and attendance at the Meetings are given below:

Sr. No.	Name of the Members	No. of Meetings	
		Held	Attended
1	Mr. J. Alexander	1	1
2	Mr. Nikhil Gandhi	1	1
3	Ms. Gayathri Ramachandran	1	1
4	Mr. V. Ramanan	1	1

**Note:** The previous Annual General Meeting held on December 28, 2015 was attended by Mr. J. Alexander, Chairman of the Nomination and Remuneration Committee.

##### **(iv) Remuneration Policy:**

The Nomination and Remuneration Policy of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company. During the year, the Nomination and Remuneration Policy was revised in the Board Meeting held on November 05, 2015, in tandem with the provision of section 178 of the Companies Act, 2013 and the Listing Regulations. The said Policy is annexed as Annexure III to the Directors' Report.

The Company doesn't pay remuneration to Non-Executive Director except for the sitting fees being paid to the Non-Executive Independent Directors.

The Company pays sitting fees of ₹ 20,000/- only to Non-Executive Independent Directors for attending the Meetings of the Board of Directors, Committee Meetings and as well as for the separate meeting being convened by them in accordance with the Schedule IV to the Companies Act, 2013 and Regulation 25(3) of the Listing Regulations. The sitting fees being paid is within the limit prescribed under the Companies Act, 2013.

##### **(v) Remuneration to the Directors for the financial year ended March 31, 2016:**

Details of remuneration to the Directors of the Company during the year ended March 31, 2016, are as follows:

(₹ in Lacs)

Sr. No.	Name of Director	Sitting Fees	Salary & Perquisites	Total
1	Mr. J. Alexander	2.40	-	2.40
2	Mr. V. Ramanan	2.40	-	2.40
3	Ms. Gayathri Ramachandran	2.20	-	2.20
4	Mr. Nikhil Gandhi	-	-	-
5	Mr. Bhavesh Gandhi	-	-	-
6	Mr. Ajay Khera*	-	66.67	66.67

\* Mr. Ajay Khera resigned from the directorship of the Company w.e.f. November 27, 2015 i.e., upon completion of his tenure as Managing Director & Chief Executive Officer. The details have been elaborated in Directors' Report.

#### **Pecuniary Relationship of Non-Executive Directors with the Company:**

None of the Non-Executive Directors have any pecuniary relationship or transactions with the Company and vis-à-vis, except sitting fee as mentioned above and that Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi are the Promoters of the Company.

#### **Employee Stock Option Scheme:**

The Company does not have any Employee Stock Option Scheme (ESOS).

#### **Shareholding of Directors as on March 31, 2016:**

None of the Non-Executive Directors held any Equity Shares in the Company except Mr. Nikhil Gandhi and Mr. Bhavesh Gandhi who individually holds 1,177,757 Equity Shares each.

### **5. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 read with the Rules thereto and Regulation 20 of the Listing Regulations.

At the Board Meeting of the Company held on November 05, 2015, the Board had revised the terms of reference/powers of the Stakeholders Relationship Committee to be in tandem with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The terms of reference of the Stakeholders Relationship Committee, inter alia, include the following:

1. The Committee shall consider and resolve the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends; and
2. Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

#### **(i) Composition:**

During the year, Stakeholders Relationship Committee was re-constituted w.e.f November 26, 2015 upon resignation of Mr. Ajay Khera as Director of the Company w.e.f November 27, 2015. Therefore post re-constitution and as on March 31, 2016, the Stakeholders Relationship Committee comprises 3 (three) Directors, viz. Ms. Gayathri Ramachandran (Chairperson), Mr. Nikhil Gandhi and Mr. J Alexander as Members. During the financial year 2015-16, no meeting of the Stakeholders Relationship Committee was held.

#### **(ii) Name and Designation of Compliance Officer:**

Name of the Compliance Officer	Designation
Mr. Nilesh Mehta	Company Secretary

#### **(iii) Details of shareholders complaints/queries received and resolved during the year ended March 31, 2016:**

Pending as on April 01, 2015	Received during the year	Resolved during the year	Pending as on March 31, 2016
Nil	Nil	Nil	Nil

### **6. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Corporate Social Responsibility Committee of the Company is constituted in accordance with the provisions of Section 135 Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014.

#### **(i) Functions of the Committee:**

Committee is authorized to perform all acts and functions prescribed by the Companies Act, 2013 and rules made there under, as amended from time to time.

**(ii) Composition:**

As on March 31, 2016, the Corporate Social Responsibility Committee comprises 4 (four) Directors, viz. Mr. Nikhil Gandhi (Chairman), Mr. J. Alexander, Ms. Gayathri Ramachandran and Mr. V. Ramanan.

**(iii) Meetings and Attendance during the year ended March 31, 2016:**

During the financial year 2015-16, no Meeting of the Members of Corporate Social Responsibility Committee was held.

The Corporate Social Responsibility Policy of the Company has been formulated by the Corporate Social Responsibility Committee and has been approved by the Board of Directors of the Company. The said Policy is available on the Company's website at [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=94:csr-policy&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=94:csr-policy&id=13:policies&Itemid=186)

**7. INDEPENDENT DIRECTORS MEETING:**

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on February 14, 2016, without the presence of Non-Independent Directors and Members of Management to, inter alia, consider the following:

- (a) review the performance of Non-independent Directors and the Board as a whole;
- (b) review the performance of the Chairperson of the Company;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the three Independent Directors viz., Mr. J. Alexander, Ms. Gayathri Ramachandran and Mr. V. Ramanan were present in the Meeting which was chaired by Mr. J. Alexander.

**8. ANNUAL EVALUATION OF PERFORMANCE OF THE BOARD, ITS COMMITTEES AND DIRECTORS:**

The Board, at its Meeting held on February 14, 2016, has carried out evaluation of performance of the Board as well as performance of its Committees and individual Directors in terms of the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations on the basis of performance evaluation criteria as approved.

**9. FAMILIARISATION PROGRAMME:**

In accordance with the requirement of Regulation 25 of Listing Regulations and the provisions of Companies Act, 2013, the Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities, etc.

The details of Familiarisation Programme for Independent Directors is uploaded on the Company's website at <http://www.skilgroup.co.in/index.php/2014-05-01-07-26-18/familiarization-programmes-to-ids>

**10. GENERAL BODY MEETINGS:**

**(i) Location and time of last three Annual General Meetings:**

Year	Location	Date	Time
2014-2015	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001	28.12.2015	1500 hours
2013-2014	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001	30.09.2014	1400 hours
2012-2013 Adjourned AGM	Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai - 400 001	26.12.2013	1500 hours
2012-2013	Bombay Club Suite, Royal Bombay Yacht Club, Chhatrapati Shivaji Maharaj Marg, Apollo Bunder, Near Taj Mahal Hotel, Mumbai - 400 001	30.09.2013	1430 hours

**(ii) Special Resolutions passed during the previous three Annual General Meetings:**

Date of AGM	Special Resolution passed
28.12.2015	None
30.09.2014	<ul style="list-style-type: none"> <li>(i) For appointment and remuneration of Mr. Ajay Khara as Managing Director &amp; Chief Executive Officer for a period of two years effective from November 27, 2013, in terms of the provisions of Sections 196, 197, 203 of the Companies Act, 2013 read with the Rules there under and Schedule V to the said Act.</li> <li>(ii) For borrowing monies in excess of the limit prescribed under Section 180(1)(c) of the Companies Act, 2013, subject to a maximum limit of ₹ 6300 Crores.</li> </ul>



	(iii)	Under Section 14 of the Companies Act, 2013, for amendment of Articles of Association of the Company by substitution of existing Article No. 218(d) relating to affixation of Common Seal of the Company with new Article No. 218(d).
	(iv)	Under Section 13 of the Companies Act, 2013 for amendment of Memorandum of Association of the Company by inserting new Clause No. 45 under 'Objects Incidental and Ancillary to the attainment of Main Objects'.
26.12.2013	None	
30.09.2013	None	

**(iii) Special Resolution passed during the financial year 2015-16 through Postal Ballot – details of voting pattern:**

Pursuant to the provisions of Sections 108, 110 and other applicable provisions of the Companies Act, 2013 read with the Rules thereto and Clause 35B of the erstwhile Listing Agreement, the Members passed 2 (two) Special Resolutions through Postal Ballot and e-voting on May 19, 2015.

The brief details of resolution and voting pattern is given below:

No.	Special Resolutions	Votes cast in favour		Votes cast against		Votes Abstained	
		No. of Votes	%	No. of Votes	%	No. of Votes	%
1	Under Section 180 (1) (a) of the Companies Act, 2013, to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company	1,04,58,308	6.04%	0	0.00%	16,25,82,669	93.96%
2	Under Section 180 (1) (a) of the Companies Act, 2013, to create/modify/mortgage/charge/hypothecation/pledge on all or any part of the movable and/or immovable properties	17,30,24,515	99.99%	16,462	0.01%	0	0.00%

The Company successfully completed the process of obtaining approval of its shareholders for special resolutions on the items detailed above, vide postal ballot.

**(iv) Person who conducted the postal ballot exercise:**

Mr. Virendra Bhatt, Company Secretary in Practice, was appointed as the Scrutinizer for conducting the postal ballot and e-voting process in a fair and transparent manner.

**(v) Whether any special resolution is proposed to be conducted through postal ballot: None**

**(vi) Procedure for Postal Ballot:**

The Company conducted Postal Ballot process in accordance with the provisions of Section 110 of the Companies Act, 2013 read with the Rules thereto. In compliance with Section 108 of the Act read with the Rules thereto, the Company provides electronic voting facility to all its Members to enable them to cast votes electronically. The Company engages the services of CDSL for the purpose of providing e-voting facility to Members. The Members have the option to vote either by physical ballot or e-voting. The Notice of Postal Ballot along with the Postal Ballot Form containing the instructions and the manner of conducting e-voting is sent by electronic mode to those Members whose e-mail addresses are registered with the Company/Depository Participant(s). For Members who request for a hard copy and for those Members who have not registered their e-mail addresses, physical copies of the same are sent along with postage prepaid business reply envelopes. The Company also publishes a newspaper notice declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in the names of Members as on the cut-off date. Members who exercise their votes by physical postal ballot forms are requested to return the forms duly completed and signed, to the Scrutinizer on or before the close of voting period. Members who exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The scrutinizer submits his report and the consolidated results of the voting by Postal Ballot are then announced by the Chairman/authorized officer. The results are displayed on the Company's website [www.skilgroup.co.in](http://www.skilgroup.co.in) and on the website of CDSL besides being communicated to the Stock Exchanges where the shares of the Company are listed.



## **11. DISCLOSURES:**

### **(i) Related Party Transactions:**

The details of the Related Party Transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval of the Audit Committee is sought for transactions which are of repetitive nature as well as for the normal transactions which cannot be foreseen and accordingly the required disclosures are made to the Committee on quarterly basis in terms of the approval of the Committee. All related party transactions attracting compliance under Section 188 and / or Listing Regulations are also placed before the Board for approval, as per the requirement.

In terms of the 'Policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions', all Related Party Transactions entered during the year were in Ordinary Course of Business and on Arm's Length basis. No Material Related Party Transactions, i.e. transactions exceeding ten percent of the annual consolidated turnover as per the last audited financial statement, were entered during the year by your Company.

The Company has formulated a Policy on materiality of Related Party Transactions & Dealing with Related Party Transactions which is available on the website of the Company at [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=91:policy-related-party-transaction&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=91:policy-related-party-transaction&id=13:policies&Itemid=186)

### **(ii) Details of non-compliance:**

The Company has in few cases delayed in filing disclosures pursuant to regulation 31(1) and regulation 31(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulation, 2011 due to non availability of requisite information/documents. However, no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other statutory authorities in any matter related to capital markets, during the last 3 years.

### **(iii) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy / Vigil Mechanism which encourages the Whistle Blower to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The Whistle Blower Policy / Vigil Mechanism provides for adequate safeguards against victimization of Whistle Blower who avail of such Policy/Mechanism and also make provisions for direct access to the Chairperson of Audit Committee in exceptional cases. No personnel are denied access to the Audit Committee.

The details of Vigil Mechanism/Whistle Blower Policy are available on the website of the Company at [http://www.skilgroup.co.in/index.php?option=com\\_phocadownload&view=category&download=83:whistle-blower-policy&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=83:whistle-blower-policy&id=13:policies&Itemid=186)

### **(iv) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Clause:**

The Company has complied with the mandatory requirements of erstwhile Clause 49 of the Listing Agreement and Listing Regulations relating to Corporate Governance. In addition to it, the Company has also complied with non mandatory requirement such as Company has appointed separate persons to the post of Chairman and CEO.

## **12. MEANS OF COMMUNICATION:**

In accordance with the Listing Regulations, the Company has maintained a functional website at [www.skilgroup.co.in](http://www.skilgroup.co.in) containing basic information about the Company viz. details of business, financial information, shareholding pattern, compliance with corporate governance, etc. The contents of the said website are updated from time to time.

The Annual Report, which includes, inter alia, the Financial Statements, Directors' Report, Management Discussion and Analysis Report and the Report on Corporate Governance, is the another channel of communication to the Members.

The quarterly, half yearly and annual financial results are sent to the Stock Exchanges in terms of the requirement of the Listing Regulations and are published in Financial Express/Business Standard and Mumbai Lakshdeep, which are English and Marathi daily newspapers respectively and also displayed on the Company's website at [www.skilgroup.co.in](http://www.skilgroup.co.in).

Pursuant to Listing Regulations, the Company has maintained an exclusive email id: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in) in which is designated for investor correspondence for the purpose of registering any investor related complaints and the same has been displayed on the Company's website at [www.skilgroup.co.in](http://www.skilgroup.co.in).

**13. GENERAL SHAREHOLDER INFORMATION:****(i) 33<sup>rd</sup> Annual General Meeting:**

Date	Tuesday, September 27, 2016
Time	1430 Hours
Venue	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001

**(ii) Financial Year:**

The financial year of the Company covers the financial period from April 1 to March 31. The tentative schedule of the Board Meetings for considering the financial results during the year ended March 31, 2017 are as follows:

	Event	Tentative Dates
1.	Financial reporting for the quarter ended June 30, 2016	On or before August 14, 2016
2.	Financial reporting for the quarter ended September 30, 2016	On or before November 14, 2016
3.	Financial reporting for the quarter ended December 31, 2016	On or before February 14, 2017
4.	Financial reporting for the quarter and year ended March 31, 2017	On or before May 30, 2017
5.	Annual General Meeting for the year ending March 31, 2017	On or before September 30, 2017

**(iii) Date of Book Closure:**

The Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 21, 2016 to Tuesday, September 27, 2016 (both days inclusive) for the purpose of the Annual General Meeting.

**(iv) Dividend Payment Date:** Not Applicable**(v) Listing on Stock Exchanges:**

The Equity Shares of the Company were voluntarily delisted from Calcutta Stock Exchange Limited pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 w.e.f. March 10, 2016. Also, the Equity Shares of the Company were listed on BSE Limited through the direct listing mode w.e.f. May 03, 2016.

The Equity Shares of the Company are listed on following Stock Exchanges as on the date of this report:.

1. National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 4000 051
2. BSE Limited  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

The Company has paid listing fees to the National Stock Exchange of India Limited (NSE) and BSE Limited for FY 2016-2017.

**(vi) Stock Code/ ISIN Number:**

- (a) NSE: Scrip Code - SKIL
- (b) BSE: Scrip Code - 539861
- (c) Demat ISIN Number – for NSDL / CDSL: ISIN INE429F01012

**(vii) Corporate Identification Number:**

Corporate Identity Number (CIN) of the Company, allotted by the Ministry of Corporate Affairs, Government of India is L36911MH1983PLC178299.

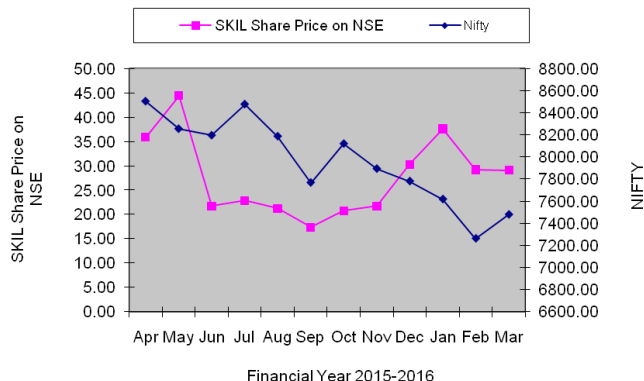
**(viii) Market price data:**

High and low of market prices of the Company's Equity Shares traded on NSE during the financial year were as follows:

Month & Year	High (₹)	Low (₹)
April, 2015	40.85	30.95
May, 2015	60.00	28.90
June, 2015	29.30	14.05
July, 2015	26.10	19.60
August, 2015	24.85	17.25
September, 2015	19.15	15.55
October, 2015	22.90	18.50
November, 2015	25.60	17.85
December, 2015	35.90	24.70
January, 2016	42.80	32.40
February, 2016	33.85	24.55
March, 2016	31.70	26.45

There was no trading at CSE during the financial year.

**(ix) Stock Performance in comparison to Nifty:**



**(x) Registrar & Share Transfer Agents:**

Link Intime India Private Limited,  
C - 13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai - 400 078.  
Ph. : +91-22-2596 3838  
Fax : +91-22- 2594 6969  
E-mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**(xi) Share Transfer System:**

The Company has appointed Link Intime India Private Limited as its Registrar & Share Transfer Agents. The share transfer, demat and all other investor related matters are attended to and processed by Link Intime India Private Limited.

As required under Regulation 40(9) of the Listing Regulations, a Practising Company Secretary examines the records relating to Share Transfer Deeds, Registers and other related documents on a half-yearly basis and has certified compliance with the provisions of the above Regulation.

As stipulated by SEBI, Reconciliation of Share Capital Audit is conducted by a Company Secretary in Practice to reconcile the total admitted Capital with NSDL and CDSL and the total issued and listed capital of the Company. This audit is carried out every quarter and the report thereon is submitted to concern Stock Exchange(s). The Audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form and total number of shares in physical form.

**(xii) (a) Distribution of Shareholding as on March 31, 2016:**

No. of Shares	No. of Shareholders	% of Shareholders	Shares	% to Total
1 - 500	3205	65.02	426913	0.20
501 - 1000	593	12.03	514179	0.24
1001 - 2000	389	7.90	617053	0.28
2001 - 3000	180	3.65	470865	0.22
3001 - 4000	107	2.17	393504	0.18
4001 - 5000	92	1.87	441307	0.20
5001 - 10000	157	3.18	1224876	0.57
10001 & above	206	4.18	212482535	98.11
<b>Total</b>	<b>4929</b>	<b>100.00</b>	<b>216571232</b>	<b>100.00</b>

**(b) Shareholding Pattern (categories of shareholders) as on March 31, 2016:**

Category	No. of Shares held	% of Total Shareholding
Promoters and Promoter Group	143198127	66.12
Foreign Venture Capital Investors/Foreign Company/ Overseas	18883389	8.72
Bodies Corporate/NRI		
Bodies Corporate	39128918	18.07
Indian Public	7591065	3.51
Others	7769733	3.58
<b>Total</b>	<b>216571232</b>	<b>100.00</b>

**(xiii) Dematerialization of Shares and Liquidity:**

Out of 216,571,232 Equity Shares, 216,529,094 Equity Shares (i.e. 99.98%) are in electronic/dematerialization form with the Depositories i.e. NSDL and CDSL, as on March 31, 2016. The Promoters and Promoter Group hold their entire equity shareholding in the Company in dematerialized form. As on the date of this report, the Equity Shares of the Company are traded on NSE & BSE which ensures good liquidity for the investors.

**(xiv) Outstanding GDRs/ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity:**  
Not applicable**(xv) Plant location:** Not Applicable, as the Company is not having any plant.**(xvi) Address for Investor Correspondence:**

Shareholders may correspond with -

- i) Link Intime India Private Limited, Registrar & Transfer Agents, for all matters relating to transfer / dematerialization of shares, payment of dividend, demat credits, corporate actions or change of address or any query relating to the shares of the Company or any other query, etc.
- ii) Respective Depository Participants (DPs) for shares held in demat mode. Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.
- iii) Members may contact the Compliance Officer at the Registered Office address of the Company at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Email ID: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in)

**(xvii) Particulars of Directors seeking re-appointment:**

As required under Regulation 36(3) of the Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM is given in the Exhibit to the Notice of the AGM.

**14. SUBSIDIARY COMPANIES:**

The Board of Directors has formulated a Policy for determining 'Material' Subsidiaries pursuant to the provisions of the Listing Regulations. The same is displayed on the website of the Company at [http://www.skilgroup.co.in/index.php?option=com\\_phoca\\_download&view=category&download=93:policy-on-material-subsiidiaries&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phoca_download&view=category&download=93:policy-on-material-subsiidiaries&id=13:policies&Itemid=186)

The Audit Committee reviews the financial statements of the subsidiary companies and the investments made by its unlisted subsidiaries.

**15. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF THE COMPANY:**

In accordance with the requirement of Corporate Governance, the Board of Directors of the Company has formulated a code of conduct for Directors and Senior Management of the Company, the Compliance of which has been affirmed by all Board Members and Senior Management Personnel. The required declaration to the effect signed by the Chief Executive Officer is annexed to this Annual Report.

**16. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING IN SECURITIES OF THE COMPANY:**

The Company has formulated 'Code of Conduct to regulate, monitor and report trading by employees and other connected persons' as per Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

The Company has also formulated 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' pursuant to the said Regulations, which is available on the website of the Company at <http://www.skilgroup.co.in/index.php/2014-05-01-07-26-18/policies-code>

**17. CEO AND CFO CERTIFICATION:**

In accordance with requirement of Regulation 17(8) of the Listing Regulations, the Board of Directors of the Company have been furnished with the requisite certificate from the Chief Executive Officer and Chief Financial Officer of the Company, which is annexed to this Annual Report.

**18. CERTIFICATE ON CORPORATE GOVERNANCE:**

The Company has obtained a Certificate from Mr. Virendra G. Bhatt, Company Secretary in Practice, regarding compliance of the conditions of Corporate Governance, as stipulated in Schedule V of the Listing Regulations, which together with this Report on Corporate Governance is annexed to the Directors' Report and shall be sent to all the Members of the Company and the Stock Exchanges along with the Annual Report of the Company.

## CERTIFICATE OF CORPORATE GOVERNANCE

To,

The Members of **SKIL Infrastructure Limited**

I have examined the compliance of Corporate Governance by SKIL Infrastructure Limited ('the Company') for the year ended 31st March, 2016, as stipulated in Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the Stock Exchanges for the period 1st April 2015 to 30th November 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. My examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring the Compliance with the conditions of Corporate Governance as stipulated in the said Regulations. It is neither an audit nor an expression of Corporate Governance as stipulated in the above-mentioned Listing Agreement / SEBI Listing Regulations, as applicable.

In my opinion and to the best of our information and according to the explanation given to me and based on the representations made by the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement / SEBI Listing Regulations, as applicable.

I further state that such compliance is neither an assurance to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

**Place:** Mumbai  
**Date:** 09/08/2016

**Virendra Bhatt**  
**Practicing Company Secretary**  
**ACS No.: 1157; CP No.: 124**

### **Certificate pursuant to Regulation 17(8) read with Schedule II - Part B of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by Chief Executive Officer and Chief Financial Officer**

- A. We, Ajay Khara, Chief Executive Officer and Sudipan Bhaduri, Chief Financial Officer of SKIL Infrastructure Limited, have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the auditors and the Audit committee
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date:** May 25, 2016  
**Place:** Mumbai

**Sudipan Bhaduri**  
**Chief Financial Officer**

**Ajay Khara**  
**Chief Executive Officer**

### **CERTIFICATE OF COMPLIANCE WITH CODE OF CONDUCT OF THE COMPANY**

This is to affirm that the Board of Directors of SKIL Infrastructure Limited has adopted a Code of Conduct for its Board Members and Senior Management and compliance of provisions of the said Code for the financial year ended March 31, 2016 has been confirmed by the Board Members and Senior Management Personnel of the Company.

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

**Ajay Khara**  
**Chief Executive Officer**



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDIAN ECONOMIC OVERVIEW

1. Since the first bi-monthly statement of April 2016, announced by the Reserve Bank of India, global growth is uneven and struggling to gain traction. World trade remains muted in an environment of weak demand. In the United States, growth was slow once again in Q1 because of contracting industrial activity and exports. Recent indicators of labour market activity have also weakened. In the Euro area, by contrast, Q1 GDP rose strongly on the back of robust consumer spending and recovering employment and business conditions. In Q2 so far, unemployment is falling, albeit slowly, and purchasing managers' sentiment is upbeat. In Japan, growth surprised on the upside in Q1, with the economy escaping a technical recession, but industrial activity remains weak and deflationary pressures are building.
2. GDP growth slowed sequentially in China in Q1, with retail sales, industrial production and fixed investment showing signs of weakness in recent months amidst still rising levels of indebtedness among households and corporations. While macroeconomic stability is returning to some emerging market economies (EMEs), geo-political tensions and high volatility in financial markets impede the resumption of momentum, and the outlook remains challenging. The recent uptick in commodity prices is providing some relief to commodity exporters but political events could unsettle investor sentiment and consequently, capital flows could turn volatile again. For commodity importers, net terms of trade gains are moderating.
3. Global financial markets have recorded gains through Q2 of 2016, spurred by risk-on investor sentiment. Portfolio flows are returning, albeit hesitantly, to EME debt and equity markets. The firmness in crude prices that set in around mid-March has been supported in subsequent weeks by some temporary reductions in global supply. Gold prices remain elevated on safe haven demand. Other non-energy commodity prices remain stable with a hint of upside, while steel prices have firmed appreciably. Bond market yields across AEs have eased steadily, reflecting strong appetite in primary auctions in the face of the growing universe of negative yielding bonds. The US dollar continues to mirror changes in expectations of monetary policy action by the Fed. The yen and the euro have remained strong despite ultra-accommodative monetary policies. Among EMEs, some currencies are trading with an appreciating bias, with the biggest gains recorded by the currencies that had depreciated the most earlier.
4. On the domestic front, the recently released provisional estimate of gross value added (GVA) for 2015-16 marginally scaled down the annual growth rate to 7.2 per cent, on a deceleration of service sector activity in relation to the advance estimates. There was, however, a sequential pickup in activity in Q4 in line with expectations. As regards the current financial year, the India Meteorological Department (IMD) has forecast an above-normal and well-distributed south west monsoon as El Nino wanes – albeit with a slightly delayed onset. Realization of this prediction is critical for the outlook for agriculture since reservoir levels have been depleted to 17 per cent of capacity – 40 per cent lower than the level a year ago. Even though rabi procurement was lower in April-May 2016 than a year ago, mid-May food stocks at 58 million tonnes were almost three times the norm for Q1.
5. The index of industrial production decelerated in 2015-16, mainly pulled down by weak manufacturing in an environment of subdued investment demand and weak rural consumption. In May 2016, the manufacturing purchasing managers' index (PMI) remained subdued on account of slowing output and export orders. However, except for natural gas and crude oil, the core sector registered strong growth in April 2016 on account of a seasonal pick-up in industries like electricity, also supported by a low base. There are signs that corporate performance is improving. Available information on Q4 earnings suggests double digit growth in EBITDA levels for non-financial corporates. The Reserve Bank's latest rounds of forward looking surveys indicate an improvement in the overall business situation, driven by a pick-up in capacity utilization and in order books – both domestic and external. These developments have improved the expectation of business conditions in the first half of 2016-17. Public investment, especially in roads and railways, is gaining strength, though the continuing weakness in private investment is of concern. Demand conditions are likely to improve going forward; consumer confidence is seen as rising on improving expectations of employment and spending, with rural demand aided by a stronger monsoon. Rising capacity utilization should prompt private investment.
6. Some high frequency indicators for April point to a firming recovery, although it is still uneven. Leading the upturn are cargo traffic at major ports, automobile sales (especially two-wheelers and three-wheelers), commercial vehicle sales, passenger air and freight traffic, cement production and steel consumption. Abstracting from seasonal effects, this suggests that the expansion, especially in the service sector, is getting broad-based. On the other hand, railway freight traffic and passenger car sales have decelerated on sector-specific constraints. Purchasing managers in the services sector indicated slowing new business in May and subdued expectations of future activity.
7. The ebbing of inflation pressures for two consecutive months to March, after a period of steady rise, was interrupted once again in April. Retail inflation measured by the consumer price index (CPI) rose more sharply than expected due to a more-than-seasonal jump in food prices. Within the food group, inflation in respect of vegetables, fruits, sugar, meat and fish rose sizably from their prints in the previous month. Inflation in respect of pulses remained elevated; the recent decline in prices of pulses reversed, yielding a sharp increase in April. Production of pulses has fallen for the second consecutive year, according to the third advance estimates for 2015-16. There was also a firming of inflation relating to edible oils, spices and non-alcoholic beverages. Cereal inflation, however, remained subdued, reflecting supply management efforts that expanded off take from food stocks. Inflation in

respect of the fuel group eased mainly due to firewood and stronger deflation in respect of LPG prices. Reflecting these recent inflation dynamics, three-months-ahead inflation expectations of households moved up marginally in May.

8. CPI inflation excluding food and fuel edged up in April, driven by prices of petrol and diesel embedded in transport and communication. Clothing and footwear also registered moderate increases in inflation. Services inflation remained elevated on account of house rents, water charges, tuition fees and taxi/auto fares. Excluding petrol and diesel from this category, inflation was sticky and above 5 per cent. However, since growth in rural wages and corporate staff costs have been modest, cost-push factors may be subdued for the time being.
9. Despite the waning of liquidity pressures in early April, stronger-than-usual currency demand during the first two months of the financial year and build-up of cash balances by the Government from the second week of May tightened liquidity conditions from mid-May. Volatility also declined significantly. Interest rates on money market instruments such as certificates of deposit (CDs) and commercial paper (CPs) also eased through the quarter so far.
10. Exports declined for the seventeenth consecutive month in April in US dollar terms in spite of a modest increase in volume. The fall in crude oil prices led to lower export realization from petroleum products (POL), although the volume of shipments of petroleum products is estimated to have picked up modestly. Among non-oil items, exports of gems and jewelry, drugs and pharmaceuticals, chemicals and electronic goods improved over their levels a year ago. By contrast, exports of engineering goods declined for the ninth straight month while readymade garments recorded a fall for the fourth successive month. Imports fell sharply and across constituents – 25 items accounting for a share of 87 per cent in total imports recorded a decline; POL imports also declined, essentially reflecting lower prices. Accordingly, the trade deficit narrowed sequentially and was less than half its level a year ago. Portfolio flows resumed in April and May. The level of foreign exchange reserves rose to US \$ 360 billion by May 27, 2016.
11. Only very recently the extent of decline has started reducing in spite of global slowdown, heightened uncertainties currency fluctuations, increasing protectionism as well as domestic constraints like quality of goods being not up to the mark, distorted factor markets, uncompetitive supply chain management and of course poor infrastructure facilities.

#### **POLICY STANCE AND RATIONALE**

12. The inflation surprise in the April reading makes the future trajectory of inflation somewhat more uncertain. The expectations of a normal monsoon and a reasonable spatial and temporal distribution of rainfall, along with various supply management measures and the introduction of the electronic national agriculture market (e-NAM) trading portal, should moderate unanticipated flares of food inflation. In addition, capacity utilization indicators suggest that the available headroom in industry could keep output prices subdued even as demand picks up. Nonetheless, there are upside risks – firming international commodity prices, particularly of crude oil; the implementation of the 7th Central Pay Commission awards which will have to be factored into projections as soon as clarity on implementation emerges; the upturn in inflation expectations of households and of corporates; and the stickiness in inflation excluding food and fuel.
13. The rains having been more than bountiful shall ease off the pressure on the agriculture /food scarcity and it should be anti-inflation as per the existing scenario.
14. The GST roll out which is expected now in April 2017, which of course is a daunting task shall be a phase to watch with a great deal of interest especially if the Centre/ States are in a position to keep the levels of the GST to below 18%. Understandably these capped figures might not hurt the consumers but also protect the revenue interest of the States, though tax on tax shall come to an end, smooth and hassle free movement of products across the States shall become a reality and Ease of Business shall improve in the country, thereby taking India northwards on the scales set by the World Bank.
15. The Govt's Foreign Trade Policy 2015-2020, has laid a foolproof plan to enhance India's trade eco system and competitiveness. It provides a multi-pronged approach to boost the trade eco system, which is not limited to merely outward measures, but lays equal emphasis on domestic reforms. The focus is on the need to build adequate export infrastructure, creation of primary infrastructure in terms of better multi modal transportation for improved road connectivity to ports, rail heads, airports, inland waterways, faster throughput at the ports and shorter dwell time, faster movement of rakes by Indian Railways, especially after Delhi JNPT Freight Corridor becoming a reality, in not too distant future now, with all other trade facilitation measures in place

#### **IMPACT OF PROPOSED GST ON INDIAN LOGISTICS INDUSTRY**

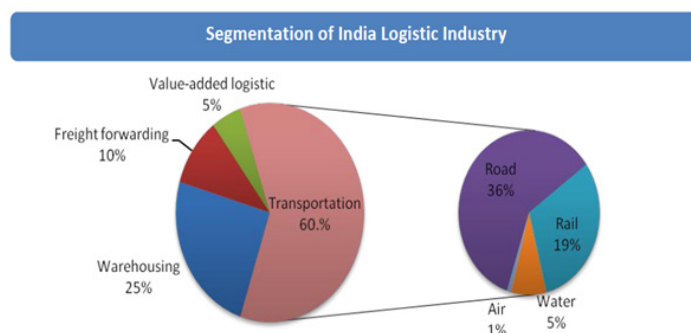
##### **16. OVERVIEW OF INDIAN LOGISTIC INDUSTRY:**

The Indian logistic industry is expected to grow steadily, led by e-commerce penetration, economy revival, proposed GST implementation and government initiatives like "Make in India", National Integrated Logistic Policy, 100% FDI in warehouses, food storage facilities, etc. Transportation alone holds 60% share of the logistic industry and rest 40% is contributed by warehousing, freight forwarding, value-added logistics, etc. Furthermore, with respect to India's GDP growth the logistics industry is expected to grow at 1-1.5x as logistics business is directly correlated with economic activity. Considering the aforementioned aspect, the Indian logistic industry is projected to grow at CAGR of 15-20% during FY16~FY20. Despite these reasons, the logistic sector in India remains entangled in several complexities which primarily includes higher logistic



costs and complex tax structure. The implementation of Goods and Service Tax (GST) bill is expected to trim the logistic costs upto 20% from the current levels, however, the persisting high logistic costs could only be resolved by development of logistics infrastructure.

The Indian logistic sector is primarily categorized into four segments comprising transportation, warehousing, freight forwarding and value-added logistics. The transportation which contributes maximum to the whole pie of logistic sector comprises various means such as road, rail, air and water. India being emerging country with prime dependency upon transportation through land, i.e. through road and rail together which contributes about 60% followed by Warehousing 24.5% comprising industrial and agricultural storage.

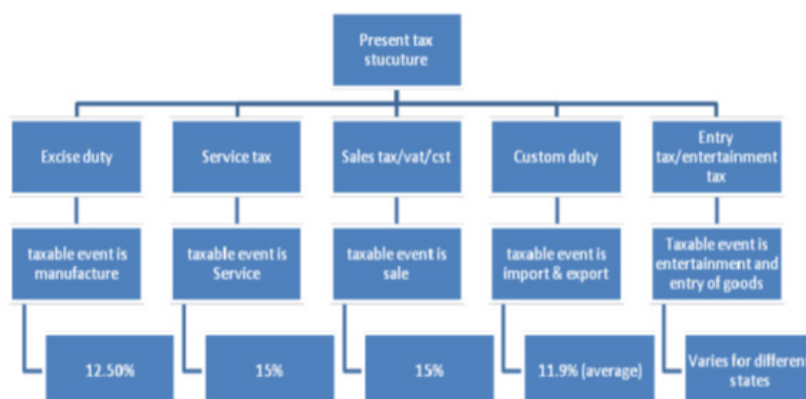


#### 17. CURRENT ISSUES AND CHALLENGES

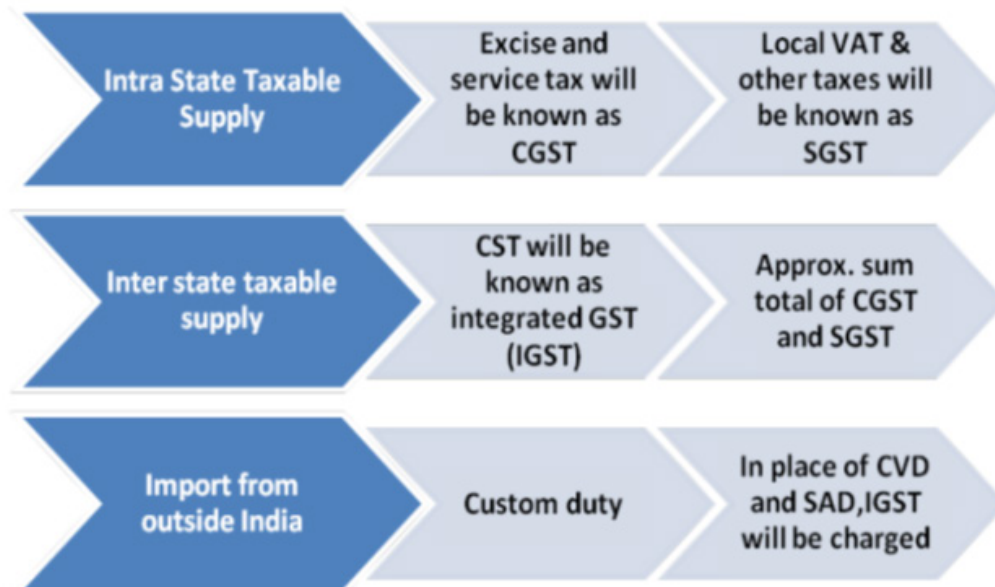
Despite being a lower cost service providing country, India has higher logistics cost due to various issues and challenges faced by the industry. Apart from being entangled in complex tax structure, the industry is also affected by poor rate of customs efficiency of clearance processes and procedures thus affecting the international export logistics stratum. Furthermore, sub-optimal comfort provided by the existing Indian infrastructure combined with lack of implementation of efficient IT-enabled tracking and tracing mechanisms has adversely affected the performance of logistics. The current article delineates upon the complex tax structure issue faced by the logistic industry and the benefits that this industry would derive upon implementation of GST, thus providing respite to certain extent to the industry.

#### 18. COMPLEX TAX STRUCTURE:

Currently, each of India's 29 states taxes goods that move across their borders at various rates. As a result, freight that moves across the country is taxed multiple times.



Goods and service tax is a colligation of multiple taxes levied by both Central (i.e., excise duty, countervailing duty and service tax) and state (Value-added tax, Octroi and entry tax, luxury tax, etc) governments when an end-user purchases goods or services. It means same level of taxation would be charged on a specific product or service across the entire country irrespective of being manufactured and sold in different states. The planned dual GST model (central GST and state GST) proposes to replace around 29 state and federal taxes and tariffs for a single tax at the point of sale. The current combined Centre and State statutory rate for most goods works out to be 26.5% (Cenvat of 14%, and VAT of 12.5%), whereas post GST implementation the same is expected to reduce to standard rate of about 18-21% which will be levied on most goods and all services.



CGST: Central Goods and Service Tax; SGST: State Goods and Service Tax; CVD: Countervailing Duty; SAD: Special Additional duty

	Pre GST	Post GST
Interstate tax burden	Currently, each of India's 29 states taxes goods that move across their borders at different rates apart from that Corporate state tax of 2% is levied for inter-state goods transfer.	Not applicable. Uniform taxation and no varying tax structures would be allowed across states.
Nature of the industry	Current interstate taxation has resulted in a large number of unorganized players in this industry. Resulting in fragmented industry.	With the introduction of GST, there is likely to be major consolidation in the industry. It could see the emergence of major large players who can span the entire logistics chain.
Logistic time	Due to trade barriers such as entry taxes, local body taxes, OCTROI and other hurdles, trucks lie idle for 30 to 40% as per industry estimates during their delivery schedule.	Improvement in the logistic time after phasing out the border check posts resulting in improvement in operational efficiency through quicker and increased number of deliveries along with reduction in logistic cost during the transit. As per world bank estimation, Indian corporates can save upto 30-40% of logistic costs incurred due to stoppages at various tolls and check posts.
Cost	The existing interstate taxation system has forced the companies to create and maintain warehouses in each state. Currently, there are around 20-30 warehouses per company, one in every state, in addition to this 20-30 Carry & Forwarding agents per state, making the supply chain longer and inefficient.	GST will be levied on transportation of goods and full credit will be available on interstate transactions. Logistic costs are expected to be decreased by 1.5-2.00% of sales on account of optimization of warehouses leading to lower inventory costs which are set up across states to avoid paying 2% corporate sales tax and phasing out of interstate sales tax. There is immense scope for optimization of costs.

The rollout of GST in India would dissolve the existing indirect tax structure, ie, multiple taxes that is being split between center and state governments leading to reduction of about 20% of current logistic costs.

#### 19. IMPACT OF GST ON THIRD PARTY LOGISTIC SERVICE PROVIDERS (3PL):

Post GST implementation the 3PL's would have to restructure its assets and realign its operations in line with changes in the operations of its customers in the new scenario. Currently, 3PL's have warehouses located near major distribution centers of its key clients (different industries) irrespective of its geographic disadvantage mainly to avoid interstate taxes. However, post GST implementation, 3PL's are expected to build integrated warehouses at logistic suitable locations. So accordingly, 3PL's

would have to restructure the assets to accommodate the long distance consignments which will occur with this scenario of free movement of goods across the country.

The consumer durables sector is expected to witness maximum drop in the logistics costs as percentage of total sales, as their warehouses are built at different states to avoid interstate tax. Mostly, the consumer-oriented industries are going to have high impact of GST on its operations model rather than capital intensive industries.

**Major Challenge** - *To sail the GST bill through the headwinds of political and democratic embroilment:*

The GST bill although has passed its acceptance through Lower House in May 2015 after religious deliberations, it is yet to be passed by the upper house of the Parliament (Rajyasabha). Post this, bill has to be passed through respective state governments in state assemblies and it has to be ratified by at least 50% of them. Once the bill receives approval from majority of the state assemblies, the government has to arrive at a revenue neutral rate so that the implementation of the proposed new tax structure will not have negative implications on revenues of states and central. Furthermore, the government has to formulate the principles for levy or exempt of the tax in the course of interstate trade with consistency and relevancy the rules for 'Place of supply'. After traversing through all the aforementioned phases, once the draft GST bill is out, the Central government has to compile all the views of the stakeholders and make an error-free and uniform GST legislation.

The hurdles and milestones which the bill has to face and cross before it is actually implemented is a tedious and time guzzling task at every stage of passage lest there is drive to expedite the same.

Apart from above the success of GST depends upon robust IT network connecting all the state governments, trade, industry, financial institutions, etc. The development of real time business model by the special purpose vehicle in the name of Goods and service tax network (GSTN) promoted by Government of India, various state Government bodies and non-Government financial institutions plays a vital role.

## 20. CREDIT PERSPECTIVE:

In the coming year, expectation of revival of manufacturing and mining activities could boost the logistic industry, further helping the companies to have better credibility. The proposed implementation of GST would also benefit the companies operating in this industry though not during the current financial year considering snail pace movement of the GST Bill and actual implementation along with fructification of the same.

Indian road transport industry is cyclical in nature and presence of a large number of organized and unorganized players makes the sector highly competitive which leaves little headroom for margin improvement. The demand for warehousing facilities has constantly been on the rise due to factors like increase in government procurement, rise in contract farming and development of organized retail sectors. The aforesaid development would require large storage capacity to achieve economies of scale as well as capacity constraints at existing facilities would pose a major challenge for players in unorganized segment. Thus, the implementation of GST would benefit immensely the players in organized sectors in terms of consolidation and merging of smaller players with larger organized players to leverage the mutual benefits. Furthermore, the sector would also attract interest from international logistic players through FDI, JVs or acquisitions, which in turn propels the industry to march towards the developed market standards of logistic performance index.

Deliberating on holistic view, the implementation of GST would help the logistic industry in improving the operational efficiency thus cutting the logistic cost and expanding the business prospects through consolidation of logistic players.

## COMPANY'S OVERVIEW

Your Company, in a strategic move to reduce debt, had decided to unlock value. The Company, which has been pioneer in building India's first world class Defence focused Infrastructure, shall continue to play a stellar role to contribute to increase the value for all the Partners/Shareholders/Stakeholders.

After reviewing the business opportunities, your Company has decided to exit non-core activities and investments and continue focus on core competency area, particularly developing valuable infrastructure in the field of Smart City/SEZ/PORT/Logistics through Special Purpose Vehicles and secure robust Partnership to ensure sustainable value for shareholders.

In the past, the Company had brought in large and invaluable investment viz., Port of Singapore Authority; Danish Conglomerate A.P. Moller Group; Swedish Conglomerate SAAB AB; Leading Corporate Houses of India viz., Reliance (ADAG), Shri Mukesh D. Ambani Group, Jay Corp; which has created value for shareholders in the past and it shall strive to benefit all the stakeholder in future, as well through similar philosophies.

## DISCUSSION ON RESULTS OF OPERATIONS

The Company has registered a total income ₹ 420.42 lacs of for the financial year under review against ₹ 7,498.55 lacs during the previous year. The net loss of ₹ 30,756.54 lacs for the year 2015-16 has gone up by ₹ 12,749.65 lacs over last year's level of ₹ 18,006.89 lacs. The lower revenue generation is mainly due to our decision not to participate in EPC contracts because of decreasing margins and delayed realization, etc. With the persistent effort to reduce debt, under the able guidance of the Board of Directors, the finance cost which has been one of the main reasons for losses had been steadily decreasing over last three years. The finance cost has come down by ₹ 1,536.91 lacs during the year under review.

## **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

For efficient functioning, effective control and monitoring, your Company has set up following Committees:

- i) Audit Committee,
- ii) Nomination and Remuneration Committee,
- iii) Stakeholder's Relationship Committee,
- iv) Independent Director's Committee,
- v) Finance Committee,
- vi) Corporate Social Responsibility Committee,
- vii) Security Allotment and Transfer Committee.

The Company has an adequate 'Internal Audit System' that promotes reliable financial reporting, safeguards assets, propagates ethical conduct and encourages adherence to fair management policies. The strong Internal Control Systems have been designed in a way that they not only prevent fraud and misuse of the Company's resources but also protect shareholders' interest.

The Audit Committee of the Board of Directors, on quarterly intervals and in co-ordination with Internal and Statutory Auditors, reviews the adequacy of Internal Control Systems within the Company. The internal audit focuses on compliance as well as on robustness of various business processes. A feedback on non-conformities along with recommendation for process improvements is directly provided to the top management of the Company. Compliance on audit findings and tracking of process improvements is regularly carried out.

## **RISKS AND CONCERNS**

Your Company has established a strong risk management structure. Under this structure, the risks are identified across all business processes of the organization on continual basis. The Company endeavors to mitigate the risks on an ongoing basis by evaluating the progress of the projects being undertaken on a regular basis and close monitoring.

- **Liquidity Risk:** The Company is into a highly capital intensive industry segment. Non availability of funds or increased cost of funding will result in pressurized margins. The Company requires a substantial amount of long term/short term funds to meet its requirement for various Infrastructure/Construction projects. To manage this, the Company proactively manages the debt levels from banks to provide adequate liquidity for its operations.
- **Government Policy Risk:** There could be unfavorable regulatory measures in Government policies towards the infrastructure industry and may impact the long term planning of the Company. It is heartening to note that Union Budget 2015-16 envisages infrastructure reforms with focus on development of critical infrastructure removing structural bottlenecks in projects and industry.
- **The MAT ( Minimum Alternate Tax) regime** if not taken out of the SEZ's might create difficulties in the sector as SEZs and the companies in the zones might not be able to reap the benefits as originally enshrined in the SEZ act. Same risk may get augmented if the SEZs are not allowed to sell in the Domestic Tariff Area in tandem with the Free Trade Agreements with some countries
- **Competition Risk:** The top management of the Company reviews the risk from time to time and as a measure of risk mitigation your Company has decided to focus only on the core competency area so as to ensure that it is constantly moving up the value chain.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

Your Company has always played an active role towards the people and the environment and shall continue to acknowledge and pursue its social responsibilities in an active manner. Your Company has a CSR committee in place.

## **HUMAN RESOURCECES**

Human Resource Management is one of the key functions of the Company. Your Company aims to create a working environment that attracts and retain the best people, enhance their capability and provide enough motivation to ensure highest level of productivity. The employees are encouraged to remain involved and contribute for the growth of the Company. The industrial relations during the year continued to be cordial and peaceful.

## **CAUTIONARY STATEMENT**

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, the Government policies, etc. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially vary from those expressed or implied in the report.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SKIL INFRASTRUCTURE LIMITED

#### Report on the Financial Statements

We have audited the accompanying financial statements of **SKIL INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement 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 the matters 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 the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, 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 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 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

#### Report on other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in Annexure a statement on matters specified in Paragraph 3 and 4 of the Order, to the extent applicable.
- 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 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 appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss, and 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 written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 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 included in the Auditor's Report and to our best of our information and according to the explanations given to us :
  - i. The Company does not have any pending litigations 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 required to be transferred, to the Investor Education and Protection Fund by the Company.

**For BHARAT SHAH & ASSOCIATES**

**Chartered Accountants**

**(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)**

**PROPRIETOR**

**Membership No.32281**

**PLACE : MUMBAI**

**DATED : May 26, 2016**

### **Annexure A to the Independent Auditors' Report**

The Annexure referred to in our report to the members of **SKIL INFRASTRUCTURE LIMITED** ("the Company") for the year ended on 31<sup>st</sup> March, 2016. We report that:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All the fixed assets has been physically verified by the management during the year which in our opinion is reasonable having regard to the size of the company and nature of its fixed assets and no material discrepancies were noticed on such physical verification.
  - (c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the title deed of immovable properties aggregating to ₹ 21,945.39/- lacs are not held in the name of the company but in the name of Amalgamating Company for which an Application has been filed for change of name with the Land Authority and is in the process of change.
2. The Company doesn't have any inventory, hence the clause of the Para 3 (ii) is Not Applicable.
3. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. And hence the clause of the Para 3 (iii) (a), (b) and (c) is Not Applicable.
4. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
5. According to information and explanation given to us, the company has not accepted any public deposits, and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable for the year under audit.
6. We have been informed by the management that the Central Government has not prescribed maintenance of cost records for the Company under sub-section (1) of section 148 of the Companies Act, 2013. Therefore the provision of clause (vi) of para 3 is Not Applicable.

7. (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, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2016, for the period of more than six months from the date becoming payable except Income tax liability of ₹ 71.46 Lacs, Income Tax (TDS) of ₹ 783.13 Lacs, Wealth Tax of 3.60 Lacs, Interest on TDS Payable of ₹ 732.89 Lacs and Stamp duty payable of ₹ 2,500/- Lacs.
- (b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excise Duty, VAT and cess on account of any dispute which have not been deposited except in certain cases. The disputed statutory dues aggregating to ₹ 2,195.30 Lacs have not been deposited on account of disputed matters pending before the appropriate authorities as under:

Name of the Statute	Nature of the dues	Year	Amount (₹ in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Block Assessment dues	Assessment Year 2007-08	90.49	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2009-10	613.45	ITAT-Mumbai Bench
Income Tax Act, 1961	Income Tax Block Assessment dues	Assessment Year 2009-10	106.39	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2010-11	172.49	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2010-11	21.21	ITAT-Mumbai Bench
Income Tax Act, 1961	Income Tax Block Assessment dues	Assessment Year 2010-11	291.41	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2011-12	180.77	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2011-12	140.89	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2012-13	77.68	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2013-14	430.52	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Interest on TDS u/s 201(IA)	Assessment Year 2012-13	70.01	ACIT (TDS)-3(2)
<b>Total</b>			<b>2,195.30</b>	

8. According to the records of the company examined by us and the information and explanations given to us by the Management and considering the extension letters received from the lenders, we are of the opinion that as on 31<sup>st</sup> March 2016, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders except for amount payable to banks aggregating to ₹17,313 Lacs/-. The lender wise details are tabulated as under:

Sr.no.	Particulars	Principal Default (₹ in lacs)	Period of default since	Interest Default (₹ In lacs)	Period of default since
1	Loan From Central Bank of India_II	7,500.00	Sep-15	1,305.51	Jul-15
2	Loan From Union Bank of India	-	-	75.67	Jan-16
3	Loan From Central Bank of India_III	5,000.00	Mar-16	587.92	July-15
4	Loan From IDBI - CC	150.00	Jan-16	-	-
5	Loan From IDBI Bank	333.00	Jan-16	510.45	Aug-15
6	Loan From IDBI FITL I	400.00	Aug-15	83.65	Aug-15
7	Loan From IDBI FITL II	235.00	Aug-15	-	-
8	Loan From Yes Bank - I	356.79	Mar-16	194.72	Feb-16
9	Loan From Yes Bank Ltd - II	-	-	580.36	Feb-16
	<b>Total</b>	<b>13,974.79</b>		<b>3,338.29</b>	

9. In our opinion, and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer ( including Debt Instruments) and term loans applied for the purpose for which they were raised. Therefore the provision of clause (ix) of para 3 is Not Applicable.
10. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 except as below:



Name of the Director to whom remuneration is provided which is not in accordance with Section 197	Total Remuneration provided/(paid) (₹ In Lacs)	Remarks
Ajay Khera	66.67 (10)	The Company has filed an Application with the Central Government, the approval of which is pending as on date

12. The company is not a Nidhi Company. Therefore the provision of clause (xii) of para 3 is not applicable.
13. In our opinion, and according to the information and explanations given to us, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc, as required by the applicable accounting standard.
14. In our opinion, and according to the information and explanations given to us, the Company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures under review. Therefore the provisions of clause (xiv) of para 3 is not applicable.
15. The company has not entered into any non-cash transactions with directors or persons connected with him. Therefore the provision of clause (xv) of para 3 is not applicable.
16. In our opinion, and according to the information and explanations given to us, the Company is not required to be registered under section 45IA of The Reserve Bank of India Act, 1934. Therefore the provision of clause (xvi) of para 3 is not applicable.

**For BHARAT SHAH & ASSOCIATES**

**Chartered Accountants**

**(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)**

**PROPRIETOR**

**Membership No.32281**

**PLACE : MUMBAI**

**DATED : May 26, 2016**

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF SKIL INFRASTRUCTURE 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 **SKIL INFRASTRUCTURE 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 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 have 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 and as 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 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 BHARAT SHAH & ASSOCIATES**

**Chartered Accountants**

**(Firm Reg. No.: 101249W)**

**(BHARAT A. SHAH)**

**PROPRIETOR**

**Membership No.32281**

**PLACE : MUMBAI**

**DATED : May 26, 2016**

## BALANCE SHEET AS AT MARCH 31, 2016

(₹ in Lacs)

Particulars	Note No.	As At March 31, 2016	As At March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	21,657.12	21,657.12
Reserves and Surplus	3	267,579.25	306,846.80
		289,236.37	328,503.92
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	173,539.65	164,383.21
Other Long Term Liabilities	5	27,486.29	18,975.29
Long-Term Provisions	6	17.37	19.61
		201,043.31	183,378.11
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	7	9,519.00	15,402.25
Trade Payables	8	437.18	13,944.41
Other Current Liabilities	9	60,977.53	80,693.90
Short-Term Provisions	10	61.41	57.63
		70,995.12	110,098.19
<b>Total</b>		<b>561,274.80</b>	<b>621,980.22</b>
<b>II. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	11	22,136.28	22,697.17
Intangible Assets		1.38	2.07
Capital Work-in-Progress	36	23,156.34	18,402.39
		45,294.00	41,101.63
Non-Current Investments	12	446,044.22	500,081.63
Long-Term Loans and Advances	13	20,659.52	20,546.38
Other Non- current assets	14	16.00	25.00
Deferred Tax Assets	15	-	-
		512,013.74	561,754.64
<b>CURRENT ASSETS</b>			
Current Investments	16	3,441.95	3,637.72
Trade Receivables	17	6,321.54	19,828.77
Cash and Cash Equivalents	18	1,713.41	709.13
Short-Term Loans and Advances	19	37,783.57	36,049.36
Other Current Assets	20	0.59	0.59
		49,261.06	60,225.58
<b>Total</b>		<b>561,274.80</b>	<b>621,980.22</b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2 to 37		

**AS PER OUR REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

**SUDIPAN BHADURI**  
Chief Financial Officer

**BHAVESH GANDHI**  
Director  
DIN: 00030623

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

**NILESH MEHTA**  
Company Secretary

**J. ALEXANDER**  
Director  
DIN: 00485766

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	Note No.	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>Revenue</b>			
Revenue from Operations	21	-	7,081.66
Other Income	22	420.42	416.89
<b>Total Revenue</b>		<u>420.42</u>	<u>7,498.55</u>
<b>Expenses</b>			
Cost of Operations	23	-	-
Employee Benefits Expenses	24	454.36	549.35
Finance Costs	25	15,145.88	16,682.80
Depreciation and Amortisation Expenses	11	118.10	152.61
Other Expenses	26	1,424.85	8,120.68
<b>Total Expenses</b>		<u>17,143.19</u>	<u>25,505.44</u>
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>(16,722.77)</b>	<b>(18,006.89)</b>
Exceptional Items	30	(13,977.38)	-
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>(30,700.15)</b>	<b>(18,006.89)</b>
Extraordinary Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>(30,700.15)</b>	<b>(18,006.89)</b>
Tax Expenses: Earlier Years		(56.39)	-
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>(30,756.54)</b>	<b>(18,006.89)</b>
Profit / (Loss) for the period from Discontinuing Operations		-	-
Tax Expenses of Discontinuing Operation		-	-
Profit / (Loss) for the period from Discontinuing Operations (After Tax)		-	-
<b>Profit / (Loss) for the period</b>		<u><b>(30,756.54)</b></u>	<u><b>(18,006.89)</b></u>
<b>Earnings Per Share of ₹10 each</b>	27		
- Basic and Diluted (₹)		(14.20)	(8.31)
<b>Significant Accounting Policies</b>	1		
<b>Notes to Financial Statements</b>	2 to 37		

AS PER OUR REPORT OF EVEN DATE

For BHARAT SHAH &amp; ASSOCIATES

Chartered Accountants

Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

Date : May 26, 2016  
Place : Mumbai

**SUDIPAN BHADURI**  
Chief Financial Officer

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Company Secretary

**BHAVESH GANDHI**  
Director  
DIN: 00030623

**J. ALEXANDER**  
Director  
DIN: 00485766

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

## CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
<b>A Cash Flow From Operating Activities</b>		
Net Profit /(Loss) before tax as per Profit & Loss Account	(30,756.54)	(18,006.89)
<b>Adjusted for:</b>		
Wealth Tax	-	1.56
Depreciation	118.10	152.61
Interest Income	(273.49)	(42.98)
Dividend Income	(25.85)	(103.45)
Interest & Financial Charges	15,145.88	16,682.79
Gain on Revaluation of fixed assets due to change in accounting policy	-	(270.46)
Miscellaneous Expenditure Written Off	9.00	9.00
Sundry balances written off	79.61	3.15
Loss on sale of Fixed Assets	1.76	0.48
Loss on Sale of Investments including Exceptional Items	14,707.07	7,019.64
<b>Operating profit before working capital changes</b>	<b>(994.46)</b>	<b>5,445.45</b>
<b>Adjusted for:</b>		
Trade & Other Receivables	11,614.89	57,497.35
Trade Payables , Creditors & Provisions	(788.57)	(41,237.20)
<b>Cash Generated From Operations</b>	<b>9,831.86</b>	<b>21,705.60</b>
Direct Tax Paid	-	(4.30)
<b>Net Cash used in Operating Activities</b>	<b>9,831.86</b>	<b>21,701.30</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of fixed assets & Capital Work-in-Progress	(4,369.13)	(4,099.68)
Sale of fixed assets	22.25	18.23
Purchase of Investments	(81.00)	(1.20)
Sale of Investments	39,607.42	10,960.72
Dividend Income	25.55	103.12
Interest Income	273.49	42.98
<b>Net Cash Flow used in Investing Activities</b>	<b>35,478.58</b>	<b>7,024.17</b>
<b>C Cash Flow From Financing Activities</b>		
Long Term Borrowing	34,875.00	-
Repayment of Long Term Borrowing	(60,793.21)	(3,464.92)
Short Term Borrowings (Net)	(5,783.05)	2,258.92
Interest & Financial Charges	(12,604.90)	(27,265.12)
<b>Net Cash flow from Financing Activities</b>	<b>(44,306.16)</b>	<b>(28,471.12)</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	<b>1,004.28</b>	<b>254.35</b>
<b>Cash &amp; Cash equivalents (Opening)</b>	<b>709.13</b>	<b>454.78</b>
<b>Cash &amp; Cash equivalents (Closing)</b>	<b>1,713.41</b>	<b>709.13</b>

(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".

(ii) Figures in brackets indicate outflows.

**AS PER OUR REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants

Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

**SUDIPAN BHADURI**  
Chief Financial Officer

**BHAVESH GANDHI**  
Director  
DIN: 00030623

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

**NILESH MEHTA**  
Company Secretary

**J. ALEXANDER**  
Director  
DIN: 00485766

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

**NOTE - 1****SIGNIFICANT ACCOUNTING POLICIES****1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared as a going concern under historical cost convention on an accrual basis following the historical cost convention in accordance with generally accepted accounting principles (GAAP) and in compliance with the Accounting Standards referred in Section 133 and other provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.

**1.2 USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires that the Management of the Company makes estimates & assumptions that affect the reported amounts of income & expenses of the period, the reported balances of assets & liabilities & the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from estimates.

**1.3 FIXED ASSETS**

Fixed Assets are stated at cost of acquisition including expenses incidental to their acquisition less accumulated depreciation & impairment.

**1.4 DEPRECIATION**

a) The Company has changed its method of depreciation from Written Down Value Method ("WDV") to Straight Line Method ("SLM") with effect from 1st April 2014. As a result of the change in the method of depreciation, difference between the carrying value as per WDV Method and SLM Method has been recognised in the Profit & Loss Account.

b) Depreciation on tangible Fixed Assets is provided on Straight Line Method over the useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged. Further, the carrying value (net residual value) of assets whose remaining useful life is NIL as at 1st April, 2014, has been recognized in the opening balance of retained earnings.

c) Depreciation on Intangible Fixed Assets has been accounted as per AS-26-Intangible Assets.

**1.5 INVESTMENTS**

Current investments are carried at the lower of cost & quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the Management.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

**1.6 BORROWING COST:**

Borrowing Cost that are directly attributable to the acquisition or construction of qualifying assets (net of income earned on temporary deployment of funds) are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial periods of time to get ready for intended use. All other borrowing costs are charged to revenue.

**1.7 REVENUE RECOGNITION**

i. Revenues are recognised when it is earned and no significant uncertainty exists as to its ultimate collection and includes, service tax, wherever applicable.

ii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.

**1.8 EXTRAORDINARY AND EXCEPTIONAL ITEMS**

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

**1.9 INVENTORIES**

Inventories are measured at cost. Cost is determined on weighted average basis.

**1.10 EMPLOYEE BENEFITS**

i. Short term employee benefits are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which relative service is rendered.

ii. Post employment and other long term employee benefits are recognized as an expense in the profit & Loss account for the year in which the employee has rendered services. The expenses are recognized at the present value of the amount payable determined using the actuarial valuation techniques. Actuarial gain and losses in respect of post employment and other long term benefit are charged to Profit & Loss Account

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**1.11 IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of the asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**1.12 FOREIGN CURRENCY TRANSACTIONS:**

- i. Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Profit & Loss Account

**1.13 DERIVATIVE INSTRUMENTS:**

Derivative financial instruments are initially recorded at their fair value on the date of the derivative transaction and are re-measured at their fair value at subsequent balance sheet dates. Changes in the fair value of derivatives are recorded in the Profit & Loss account.

**1.14 PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

**1.15 PROVISION FOR CURRENT AND DEFERRED TAX**

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 taxable and accounting income is accounted for using the tax rates and laws that are 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 virtual certainty that the asset will be realized in future.

**1.16 PRELIMINARY AND ISSUE EXPENSES**

Preliminary and Expenses related to issue of equity and equity related instruments are adjusted against Securities Premium Account.

**1.17 INTANGIBLE ASSETS**

Intangible assets are stated at cost of acquisition less accumulated Amortization. Software, which is not integral part of the related hardware, is classified as an intangible asset and is amortized over the useful life of three years. Amortization is done on straight line method.

**1.18 LEASES**

Where the Company is lessee

Leases where the lesser effectively retains substantially all the risk and benefits of ownership of the leased item, are classified as operating leases. Operating Lease payments are recognized as an expenses in the statement of profit and loss account on a straight basis over the lease term.

**1.19 EARNINGS PER SHARE**

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

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.

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
91,00,00,000 Equity Shares of ₹ 10/- each (Previous Year 91,00,00,000)	91,000.00	91,000.00
<b>Total</b>	<b>91,000.00</b>	<b>91,000.00</b>
<b>Issued and Subscribed &amp; Paid up</b>		
21,65,71,232 Equity Shares of ₹10/- each fully paid up (Previous Year 21,65,71,232)	21,657.12	21,657.12
<b>Total</b>	<b>21,657.12</b>	<b>21,657.12</b>



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

## 2.1 (a) Reconciliation of number of Equity shares outstanding at the beginning and at the end of the year

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount	No. of Shares	Amount
No. of shares at the beginning of the year	216,571,232	21,657.12	216,571,232	21,657.12
Add: Shares issued during the year				
No. of shares at the end of the year	<u>216,571,232</u>	<u>21,657.12</u>	<u>216,571,232</u>	<u>21,657.12</u>

## 2.2 (a) Details of Shareholders, holding more than 5% of Paid up Equity Share Capital of the Company

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Metropolitan Industries	87,410,539	40.36	87,417,716	40.36
Montana Infrastructure Ltd	34,848,791	16.09	50,792,841	23.45
Ashoka Investment Holdings Private Ltd	11,276,659	5.21	11,276,659	5.21
SREI Infrastructure Finance Limited	17,666,820	8.16	-	-

## 2.3 Right to Equity Shareholders :

The Company has only one class of Equity Share having par value of ₹10/- per share. Each Equity shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the Equity shareholders will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity share held by the shareholders.

Particulars	As at March 31, 2016		As at March 31, 2015	
NOTE - 3				
RESERVES AND SURPLUS				
Securities Premium				
Balance as per last Balance Sheet	17,911.17		26,422.17	
Less: Redemption Premium on Redeemable Non Convertible Bonds	<u>8,511.00</u>		<u>8,511.00</u>	
		9,400.17		17,911.17
Capital Reserve				
Balance as per last Balance Sheet	315,530.25		318,030.25	
Less: Merger Expenses	<u>-</u>		<u>(2,500.00)</u>	
		315,530.25		315,530.25
Surplus				
Balance as per last Balance Sheet	(26,594.62)		(8,485.54)	
Profit/(Loss) during the year	<u>(30,756.54)</u>		<u>(18,006.89)</u>	
Amount available for appropriation	(57,351.17)		(26,492.43)	
Less: Appropriations				
Depreciation retain earnings	<u>-</u>		<u>(102.19)</u>	
		(57,351.17)		(26,594.62)
		<u>267,579.25</u>		<u>306,846.80</u>

**NOTE - 4****LONG TERM BORROWINGS****SECURED**

Term Loan from Bank	39,030.28	42,972.56
Term Loan from a Financial Institution	22,460.00	-
Inter Corporate Deposits	100.20	16,999.85
Vehicle Loans	<u>49.17</u>	<u>10.80</u>
	61,639.65	59,983.21

**UNSECURED**

175 Nos.(previous year 175 Nos) 3% Redeemable Non Convertible Bonds of ₹1,00,00,000 Each	17,500.00	17,500.00
829 Nos.(previous year 829 Nos) 0% Redeemable Non Convertible Bonds of ₹1,00,00,000 Each	82,900.00	82,900.00
Inter Corporate Deposits		
- Related Parties	<u>11,500.00</u>	<u>4,000.00</u>
	111,900.00	104,400.00
<b>Total</b>	<u><b>173,539.65</b></u>	<u><b>164,383.21</b></u>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**4.1** Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs 13,334.75 Lacs included in current maturities of long term debt in Note No. 9 are secured as under:

- i) ₹ 522.25 Lacs from a Bank is secured by way of Equitable mortgage of land owned by other Body Corporates.
- ii) Term loan of ₹ 9,633.23 Lacs from Bank is secured by :
  - Exclusive pari passu charge on the entire moveable and immovable assets, current assets of the Company both present & future related to CFS project.
  - Exclusive charge on immovable property of other body corporate.
  - Pledge of 34,23,651 shares of Company held by others.
  - First pari-passu charge on immovable property of subsidiary company.
  - Corporate Guarantee given by subsidiary and other body corporate
  - Personal guarantee given by two Director of the Company
- iii) Term loan of ₹ 28,682.46 Lacs from a Banks are secured by :
  - First pari-passu charge on the entire present & future project moveable and immovable assets and all right, title & interest of the SKIL (earlier transferor company 'FDLL') related to CFS Project of the Company.
  - Second charge on present & future current assets of the Company ('FDLL').
  - First pari-passu charge on immovable property of other body corporates, and further secured by personal guarantee given by a Director.
  - Pledge of 60,18,075 shares of company held by others.
  - Corporate Guarantee given by subsidiary and other body corporate
  - Personal guarantee given by two Director of the Company
- iv) Term loan of ₹5,775.52 Lacs from Bank is secured by :
  - First mortgage and charge on all immoveable and moveable properties of the Company (related to erstwhile Horizon Infrastructure Ltd), both present and future.
  - Exclusive charge on immovable property of Subsidiary.
  - Pledge of investment of Shares in Subsidiary.
  - Pledge of 13,22,764 shares of Company held by others.
  - Personal guarantee given by two Director of the Company
- v) Term loan of ₹ 7,500.00 Lacs from a Bank is secured by way of Equitable mortgage of land owned by other body corporate along with corporate guarantee given by the same Company. Further loan is secured by personal guarantee given by two Director of the Company.
- vi) ₹22,460.00 Lacs from a Financial Institution is secured by way of pledge of 3,93,90,826 shares of Reliance Defence & Engineering Ltd (formerly Pipavav Defence Offshore & Eng. Co. Ltd) held by Company and 3,12,11,384 shares of Company held by promoter and further secured by extension of mortgage of immovable properties held by other body corporates along with corporate guarantee given by the same companies.
- vii) Inter Corporate Deposit of ₹ 251.56 Lacs is secured by way of pledge 1,03,22,863 shares of Company held by promoters of Company.
- viii) Inter Corporate Deposit of ₹ 100.20 Lacs are secured by way of equitable mortgage of land owned by other Body Corporate.

**4.2** Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and ₹ 13,334.75 Lacs included in current maturities of long term debts in Note No. 9 are guaranteed by one of the Directors of the Company in his personal capacity, carry interest rates ranging from 13.00% to 17.50%. and are to be repaid as under :

<b>Year</b>	<b>Amount in Lacs</b>
2016-17	13,334.75
2017-18	4,324.03
2018-19	3,739.47
2019-20	4,904.87
2020-21	29,102.27
2021-22	6,642.27
2022-23	7,666.09
2023-24	5,211.50

**4.3** Vehicles Loans referred to above and ₹14.96 Lacs included in current maturities of long term debts in Note No.9 are secured by way of the hypothecation of the specific vehicles financed. The loans are repayable in 36 to 60 monthly installments (Including interest) as per repayment schedule.

**4.4** The company has issued 175 Nos. 3% Redeemable Non Convertible Bonds of ₹ 1,00,00,000 each during the year 2011-12 and 829 Nos. 0% Redeemable Non Convertible Bonds of ₹ 1,00,00,000 each during the year 2012-13 for the period of 5 Year from the date of allotment.

**4.5** As on March 31, 2016, the Company has overdue of ₹ 9,226.35 Lacs and ₹3,680.90 Lacs towards principal and interest amount respectively.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015
<b>NOTE - 5</b>		
<b>OTHER LONG TERM LIABILITIES</b>		
Redemption Premium Payable on Redeemable Non Convertible Bonds	27,486.29	18,975.29
	<b>27,486.29</b>	<b>18,975.29</b>
<b>NOTE - 6</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for Gratuity	17.37	19.61
	<b>17.37</b>	<b>19.61</b>
<b>NOTE - 7</b>		
<b>SHORT- TERM BORROWINGS</b>		
<b>SECURED</b>		
-From Bank	5,000.00	2,500.00
<b>Term Loan:</b>		
-From Financial Institution	-	10,300.00
Inter Corporate Deposits	229.00	1,612.25
	5,229.00	14,412.25
<b>UNSECURED</b>		
Inter Corporate Deposits		
- Related Parties (Refer Note No.31)	390.00	390.00
- Others	3,900.00	600.00
	4,290.00	990.00
<b>Total</b>	<b>9,519.00</b>	<b>15,402.25</b>

**7.1** ₹ 5,000.00 Lacs from a Bank is secured by way of pledge of 25,00,000 shares of the Company held by promoter and further secured by mortgage of land owned by a subsidiary and other Body Corporates and certain unquoted investment of the Company.

**7.2** Inter Corporate Deposit of ₹ 229.00 Lacs are secured by extension of charge on Pledge of 1,728,919 shares of Reliance Defence and Engineering Ltd and 3,522,169 shares of company and further secured by way of equitable mortgage of land owned by other Body Corporate.

**7.3** Term Loans from a Bank and Inter Corporate Deposits referred to above are guaranteed by one of the Directors of the Company in his personal capacity.

**7.4** As on March 31, 2016, the Company has overdue of ₹ 5,229.00 Lacs and ₹ 871.75 Lacs towards principal and interest amount respectively.

**NOTE - 8****TRADE PAYABLES**

Due to Micro, Small and Medium Enterprises	-	-
Due to Others	437.18	13,944.41
	437.18	13,944.41
<b>Total</b>	<b>437.18</b>	<b>13,944.41</b>

**8.1** The details of amounts outstanding to Micro, Small and Medium Enterprises under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

Sr. No.	Particulars	March 31, 2016	March 31, 2015
(i)	Principal amount remaining unpaid	Nil	Nil
(ii)	Interest due thereon	Nil	Nil
(iii)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv)	Interest due and payable for the year of delay in payment	Nil	Nil
(v)	Interest accrued and remaining unpaid	Nil	Nil
(vi)	Interest remaining due and payable even in succeeding years	Nil	Nil

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015
<b>NOTE - 9</b>		
<b>OTHER CURRENT LIABILITIES</b>		
Current Maturities of Long Term Debts	13,349.70	48,134.66
Advance Received	26,026.35	16,119.62
Interest Accrued & Due on loans	4,552.65	2,669.90
Interest Accrued but not due on loans	877.25	408.51
Other Payables		
-Statutory Dues	3,372.67	3,822.11
-Others	12,796.05	9,536.23
	16,168.71	13,358.34
Unpaid Dividend	2.87	2.87
<b>Total</b>	<b>60,977.53</b>	<b>80,693.90</b>

**NOTE - 10**  
**SHORT- TERM PROVISIONS**

Provision for Gratuity	57.81	54.03
Provision for Wealth Tax	3.60	3.60
<b>Total</b>	<b>61.41</b>	<b>57.63</b>

**NOTE - 11**  
**FIXED ASSETS**

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2015	Additions	Deductions / Adjustments #	As at 31.03.2016	Up To 01.04.2015	For The Period	Deductions / Adjustments	Up To 31.03.2016	As at 31.03.2016	As at 01.04.2015
<b>Tangible Assets</b>										
Leasehold Land	534.29	-	534.29	-	32.38	-	32.38	-	-	501.91
Freehold Land	21,945.40	-	-	21,945.40	-	-	-	-	21,945.40	21,945.40
Furniture & Fixtures	91.34	-	0.72	90.62	70.12	11.66	-	81.78	8.84	21.22
Office Equipments	170.18	1.70	1.86	170.02	149.42	15.33	-	164.75	5.27	20.76
Vehicles	1,295.21	87.81	110.22	1,272.80	1,087.33	90.46	81.76	1,096.03	176.77	207.88
<b>Total</b>	<b>24,036.42</b>	<b>89.51</b>	<b>647.09</b>	<b>23,478.84</b>	<b>1,339.25</b>	<b>117.46</b>	<b>114.14</b>	<b>1,342.57</b>	<b>22,136.28</b>	<b>22,697.17</b>
<b>Intangible Assets</b>										
Computer Softwares*	7.38	-	-	7.38	5.32	0.69	-	6.01	1.38	2.07
<b>Total</b>	<b>7.38</b>	<b>-</b>	<b>-</b>	<b>7.38</b>	<b>5.32</b>	<b>0.69</b>	<b>-</b>	<b>6.01</b>	<b>1.38</b>	<b>2.07</b>
<b>Grand Total</b>	<b>24,043.80</b>	<b>89.51</b>	<b>647.09</b>	<b>23,486.22</b>	<b>1,344.57</b>	<b>118.15</b>	<b>114.14</b>	<b>1,348.58</b>	<b>22,137.66</b>	<b>22,699.24</b>
<b>Previous Year</b>	<b>23,955.23</b>	<b>16.41</b>	<b>174.36</b>	<b>24,146.00</b>	<b>1,260.32</b>	<b>152.82</b>	<b>68.58</b>	<b>1,344.57</b>	<b>22,699.24</b>	<b>22,694.91</b>

\* Other than internally generated

- During the previous year, the Company had changed Method of Depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM)Block (Refer Note No. 1.4). As a result of which, there is a Gain on Revaluation of Fixed Assets of ₹ 270.46 Lacs which is added to the Gross Block and has been credited to Profit & Loss Account.
- During the year, fixed assets costing ₹ 640.06 Lacs were sold and is deducted from the Gross Block.
- During the year, residual value in the fixed assets whose remaining useful life had become nil totalling to ₹ 7.03 Lacs were written off which are deducted from the Gross Block.
- Out of total depreciation of ₹118.15 Lacs, an amount of ₹ 0.04 Lacs is transferred to Capital Work in Progress and balance of ₹118.10 Lacs has been charged to Profit & Loss Account.

Particulars	Number of shares		As At	As At
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015

**NOTE - 12**

**NON CURRENT INVESTMENTS**

**Long Term Investment ( Trade )**

**In Equity shares of Subsidiary Companies**

**Unquoted - Fully Paidup**

SKIL-Himachal Infrastructure & Tourism Limited of ₹10 Each.	50,000,000	50,000,000	6,715.86	6,715.86
SKIL Shipyard Holdings Private Limited of ₹ 10 Each	50,000	50,000	12,015.41	12,015.41
SKIL Karnataka SEZ Limited of ₹ 10 Each	50,000	50,000	-	5.00
SKIL (Singapore) Pte Limited of Singapore \$ 1 Each	163,322	163,322	50.25	50.25
SKIL Advanced Systems Private Limited of ₹10 Each	50,000	50,000	5.00	5.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	Number of shares		As At	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Energy India Corporation Ltd. of ₹10 Each	4,014,300	4,014,300	401.43	401.43
Gujarat-Dwarka Portwest Limited of ₹ 10 Each	70,333,314	70,333,314	38,426.48	38,426.48
Metrotech Technology Park Pvt Ltd	200,000	200,000	75.70	75.70
Navi Mumbai SMART CITY Infrastructure Ltd. of ₹ 10 Each	2,502,783	2,502,783	250.28	250.28
(Earlier known as Mahakaleshwar Knowledge Infrastructure Pvt Ltd)				
Chiplun FTWZ Private Limited of ₹ 10 Each	46,799,970	46,799,970	27,484.63	27,484.63
Jansampada Engineering Company Pvt Ltd of ₹ 10 Each	10,000	10,000	-	1.00
<b>Unquoted - Partly Paidup</b>				
Pipavav Electronic Warfare Systems Pvt. Ltd. of ₹ 10 Each, ₹ 2 paidup	50,000	50,000	1.00	1.00
<b>Total (A)</b>			<b>85,426.04</b>	<b>85,432.04</b>
<b>In Equity Shares of Associate Companies</b>				
<b>Quoted Fully Paid up</b>				
Reliance Defence and Engineering Limited of ₹ 10 Each (Earlier known as Pipavav Defence and Offshore Engineering Co.Ltd.)	193,877,041	250,373,648	185,144.36	239,096.24
<b>Unquoted Fully Paid Up</b>				
Rosoboronservice (India) Limited of ₹100 Each	13,500	-	81.00	-
Urban Infrastructure Holdings Private Limited of ₹ 10 Each	124,156,500	124,156,500	106,365.14	106,365.14
<b>Total (B)</b>			<b>291,590.50</b>	<b>345,461.38</b>
<b>In Equity Shares of Joint Venture - Unquoted</b>				
Sohar Free Zone LLC of OMR 1 Each	755,245	755,245	899.40	899.40
<b>Total (C)</b>			<b>899.40</b>	<b>899.40</b>
<b>In Equity Shares of Other Companies- Quoted Fully Paid Up</b>				
Everonn Education Ltd. of ₹ 10 Each	3,306,591	3,356,591	10,584.38	10,744.43
<b>Total (D)</b>			<b>10,584.38</b>	<b>10,744.43</b>
<b>In Equity Shares of Other Companies</b>				
<b>Unquoted Fully Paid Up</b>				
Mumbai SEZ Limited of ₹ 10 Each	146,408,090	146,408,090	42,627.11	42,627.11
Donyi Polo Petrochemicals Limited of ₹ 10 Each	2,625,500	2,625,500	227.48	227.48
SKIL Knowledge Cities Pvt. Ltd. of ₹ 10 Each	5,000	5,000	-	0.50
Karanja Terminal & Logistics Pvt. Ltd. of ₹10 Each	24,500	24,500	2.45	2.45
Shriram New Horizon Ltd. of ₹10 Each (Earlier known as New Horizon India Ltd.)	5,000,000	5,000,000	4,500.00	4,500.00
<b>Total (E)</b>			<b>47,357.04</b>	<b>47,357.54</b>
<b>Unquoted Fully Paid Up - Others</b>				
Fastlane Distriparks & Logistics Limited's Trust	5,934,328	5,934,328	3,857.31	3,857.31
Horizon Country Wide Logistics Limited's Trust	9,308,160	9,308,160	6,329.55	6,329.55
<b>Total (F)</b>			<b>10,186.86</b>	<b>10,186.86</b>
<b>Total (A+B+C+D+E+F)</b>			<b>446,044.22</b>	<b>500,081.63</b>

## 12.1 Details of shares pledged :

- (a) Investment in Everonn Education Limited includes 33,06,591 (Previous Year 33,56,591) shares pledged with the lenders of subsidiaries of an associate of the Company.
- (b) Investment in Reliance Defence and Engineering Ltd. includes
- 12,27,55,500 ( Previous Year 12,16,50,500) shares pledged with the lenders of an associate of the Company,
  - 3,93,90,826 (Previous Year 8,63,45,374) shares pledged with lenders of the Company and Nil (Previous year 56,60,048) shares pledged with the lenders of a subsidiary 'SKIL Shipyard Holdings Pvt.Ltd.'
  - 3,17,30,715 (Previous Year 3,56,12,726) share pledged with lenders of a subsidiaries of an associate Company, out of which pledge on 1,26,73,913 shares have been invoked by a lender.
- (c) Certain Investment in Unquoted Equity shares of Subsidiary / Associates & other companies are under pledge / negative lien with the lenders.

## 12.2 Refer Note No.1.5 for the basis of valuation.

12.3 Investments in two subsidiaries viz. SKIL Karnataka SEZ Limited and Jansampada Engineering Company Pvt. Limited and in SKIL Knowledge Cities Pvt. Ltd. have been written off during the year under consideration as these companies had filed an application for closure with the ROC.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

**12.4 Aggregate Value of: -**

(₹ in Lacs)

<b>Particulars</b>	<b>As At March 31, 2016</b>	<b>As At March 31, 2015</b>
Quoted Investments		
Book Value	195,728.75	249,840.67
Market Value	132,409.03	144,066.58
Unquoted Investments		
Book Value	250,315.47	250,240.96

**NOTE - 13**

**LONG-TERM LOANS AND ADVANCES**

(Unsecured and Considered Good)

Capital Advance	6,846.04	6,846.04
Advance Given to related parties	10,607.17	10,466.90
Deposits		
-Others	1,428.25	1,403.28
Advance Tax (Net)	1,778.06	1,830.16
<b>Total</b>	<b>20,659.52</b>	<b>20,546.38</b>

**Details of Loan and Advances to Related Parties:**

<b>Name of the Related Party</b>	<b>Relationship</b>		
Navi Mumbai SMART CITY Infrastructure Ltd (Earlier known as Mahakaleshwar Knowledge Infrastructure Pvt Ltd)	Subsidiary	9,825.40	9,685.13
Nikhil P. Gandhi HUF	KMP having	390.89	390.89
Bhavesh P. Gandhi HUF	significant influence	390.88	390.88
<b>Total</b>		<b>10,607.17</b>	<b>10,466.90</b>

**NOTE - 14**

**OTHER NON CURRENT ASSETS**

Preliminary Expenses	16.00	25.00
<b>Total</b>	<b>16.00</b>	<b>25.00</b>

**DEFERRED TAX LIABILITY/(ASSET)**

As required by Accounting Standard 22 on "Accounting for Taxes on Income" Deferred Tax comprises of the following items:

Deferred Tax Liabilities	-	-
Deferred Tax Assets		
- Related to Fixed Assets	-	-
	-	-
	-	-

As at March 31, 2016, the Company has Net Deferred Tax Assets of ₹17.40 Lacs (Previous Year ₹ 28.84 Lacs). In the absence of virtual certainty that sufficient future Taxable Income will be available against which Deferred Tax Assets can be realized, the same has not been recognized in the books of account in line with Accounting Standard 22 dealing with accounting for Taxes on Income.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

	Number of Shares		As At	As At
	March 31,2016	March 31,2015	March 31,2016	March 31,2015
<b>NOTE - 16</b>				
<b>CURRENT INVESTMENTS</b>				
<b>In Equity Shares</b>				
<b>Quoted Fully Paid up</b>				
Batliboi Ltd. of ₹ 5 each	41,000	41,000	9.64	9.64
BF Utilities Ltd. of ₹ 5 each	200	200	1.57	1.57
Gajra Bevel Gears Ltd. of ₹ 10 each	19,000	19,000	0.66	0.66
Gujarat Narmada Valley Fertilizers & Chemicals Ltd. of ₹ 10 each	1,000	1,000	0.96	0.96
Gulf Oil Corporation Ltd of ₹ 2 each	3,525	3,525	2.83	2.83
Gulf Oil Lubricants India Ltd of ₹ 2 each	3,525	3,525	2.83	2.83
Ramco Systems Ltd. of ₹ 10 each	7,000	7,000	7.71	7.71
Reliance Industrial Infrastructure Ltd. of ₹ 10 each	5,200	5,200	32.79	32.79
Reliance Power Ltd. of ₹10 each	10,125	10,125	13.13	13.13
Sahara Housingfina Corporation Ltd. of ₹10 each	500	500	0.43	0.43
B.A.G. Films and Media Ltd. of ₹ 2 each	9,900	9,900	0.72	0.72
Reliance Industries Ltd. of ₹ 10 each	542	542	5.68	5.68
Bank of Baroda of Rs. 2 each (Previous year ₹ 10 each)	25,980	25,980	50.04	50.04
Gitanjali Gems Ltd. of ₹ 10 each	5,311	5,311	13.18	13.18
DS Kulkarni Developers Ltd. of ₹ 10 each	724	724	0.39	0.39
INOX Leisure Ltd. of ₹ 10 each	217	217	0.10	0.10
Varun Industries Ltd. of ₹ 10 each	1,105	1,105	2.03	2.03
Rural Electrification Corporation Ltd. of ₹ 10 each	276	276	0.70	0.70
BF Investment Ltd of ₹ 5 each	200	200	3.30	3.30
<b>In Units</b>				
<b>Quoted Fully Paid up</b>				
Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan -	47,927	47,927	4.81	4.81
Wholesale -Daily Dividend of ₹ 10 each				
Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan -	10,795	7,807	1.08	0.78
Retail -Daily Dividend of ₹ 10 each				
<b>Unquoted Fully Paid up</b>				
Urban Infrastructure Opportunities Fund of ₹ 79,930/- (Previous Year ₹ 87,060/-) each	2,750	2,750	3,287.38	3,483.45
<b>Total</b>			<b>3,441.95</b>	<b>3,637.72</b>

**16.1** Details of shares pledged :

- (a) Investment in Urban Infrastructure Opportunites Fund includes 1950 (Previous Year 1950) units pledged with a lender of subsidiary of company.

**16.2** Refer Note No.1.5 for basis of valuation.**16.3** Aggregate Value of: -

Particulars	As At March 31,2016	As At March 31,2015
Quoted Investments		
Book Value	154.56	154.26
Market Value	164.99	162.35
Unquoted Investments		
Book Value	3,287.38	3,483.45

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

Particulars	As At March 31,2016	As At March 31,2015
<b>NOTE - 17</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
Outstanding for more than Six months	6,321.54	19,828.77
Others	-	-
<b>Total</b>	<b>6,321.54</b>	<b>19,828.77</b>

<b>NOTE - 18</b>		
<b>CASH AND BANK BALANCES</b>		
<b>Cash &amp; Cash Equivalents</b>		
Balance with Banks in current account	1,527.62	664.79
Balance with Banks in deposit account	159.26	35.75
Balance with Banks in dividend account	2.87	2.87
Cash on hand	23.65	5.72
<b>Total</b>	<b>1,713.41</b>	<b>709.13</b>

<b>NOTE - 19</b>		
<b>SHORT TERM LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good unless otherwise stated)		
Other advances recoverable in cash or kind or for value to be received:		
-Related Parties	27,084.91	24,862.20
-Directors and Other Officers	50.72	35.89
-Others		
Considered Good	10,638.24	11,095.20
Considered Doubtful	31.50	31.50
	<u>37,805.37</u>	<u>36,024.79</u>
Less : Provision for Doubtful Debts	<u>31.50</u>	<u>31.50</u>
	37,773.87	35,993.29
Deposits:		
-Related Parties	-	-
-Others	9.70	56.07
	<u>9.70</u>	<u>56.07</u>
<b>Total</b>	<b>37,783.57</b>	<b>36,049.36</b>

**19.1 Details of Loans and Advances to Related Parties**

Debts due by	Nature of Relationship	As At March 31, 2016	As At March 31, 2015
<b>Loans &amp; Advances to related parties</b>			
Energy India Corporation Ltd	Subsidiary	26.10	24.70
Gujarat-Dwarka Portwest Ltd (Earlier known as Gujarat Positra Port Co.Ltd.)	Subsidiary	9,547.04	6,169.74
SKIL Advanced Systems Pvt.Ltd.	Subsidiary	433.68	437.74
SKIL Karnataka SEZ Ltd.	Subsidiary	-	10.06
SKIL Shipyard Holdings Private Limited	Subsidiary	543.59	614.84
SKIL (Singapore) Pte Limited	Subsidiary	13,695.92	15,087.11
Pipavav Electronic Warfare Systems Private Limited (Earlier known as SKIL Strategic Deterrence Systems Pvt. Ltd.)	Subsidiary	35.57	31.22
Metrotech Technology Park Pvt. Ltd.	Subsidiary	537.42	537.40
Reliance Defence and Engineering Ltd	Associate	316.61	323.19
Rosoboronservic (India) Ltd.	Associate	893.00	-
E Complex Private Limited	Subsidiary of	-	87.06
Pipavav Marine Offshore Ltd.	Associate	1,055.97	1,538.77
Grevek Investments & finance Pvt. ltd	Pvt. Ltd. Co. in which Directors are interested	-	0.38
<b>Total</b>		<b>27,084.91</b>	<b>24,862.20</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

<b>Loans &amp; Advances to Directors and other Officers</b>			
Mr. Sudipan Bhaduri	Chief Financial Officer	47.81	32.60
Mr. Nilesh Mehta	Company Secretary	2.91	3.30
<b>Total</b>		<b>50.72</b>	<b>35.90</b>
<b>Particulars</b>		<b>For the year ended</b>	<b>For the year ended</b>
		<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>NOTE - 20</b>			
<b>OTHER CURRENT ASSETS</b>			
Other Receivables		0.59	0.59
<b>Total</b>		<b>0.59</b>	<b>0.59</b>
<b>NOTE - 21</b>			
<b>REVENUE FROM OPERATIONS</b>			
Income from Operations		-	-
Other Operating Revenue		-	7,081.66
<b>Total</b>		<b>-</b>	<b>7,081.66</b>
<b>NOTE - 22</b>			
<b>OTHER INCOME</b>			
Dividend Income from other than Subsidiary on			
-Current Investments		25.85	103.45
Interest Income		273.49	42.98
Gain on Revaluation of fixed assets due to change in accounting policy		-	270.46
Gain on foreign exchange difference		121.05	-
Miscellaneous Income		0.03	-
<b>Total</b>		<b>420.42</b>	<b>416.89</b>
<b>NOTE - 23</b>			
<b>COST OF OPERATIONS</b>			
Operational Expenses		-	-
<b>Total</b>		<b>-</b>	<b>-</b>
<b>NOTE - 24</b>			
<b>EMPLOYEE BENEFITS EXPENSES</b>			
Salaries and Wages		441.97	534.06
Contribution to Provident fund and Other Fund		1.86	1.59
Staff Welfare		1.50	2.28
Gratuity & Leave Encashment Expenses		9.03	11.42
<b>Total</b>		<b>454.36</b>	<b>549.35</b>

**24.1 Employee Benefits:**

As per Accounting Standard 15 "Employee Benefits" the disclosure of employee benefits as defined in the accounting standards are given below:

**Defined Contribution Plan**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Employers Contribution to Provident Fund	0.95	0.89
Employers Contribution to Pension Fund	0.73	0.52
<b>Total</b>	<b>1.68</b>	<b>1.41</b>

**Defined Benefit Plan (Unfunded)**

The Employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

- a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Defined Benefit Obligation at beginning of the year	73.63	62.82
Current & Past Service Cost	1.51	1.76
Current Interest Cost	3.87	4.25
Past Service Cost (Non -vested Benefits)	-	-
Actuarial (Gain) / Loss	(1.09)	5.41
Liabilities assumed on Acquisition (settled on Divestiture)	1.13	-
Benefits paid	(3.88)	(0.60)
Defined Benefit Obligation at the end of the year	75.17	73.63

- b) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Fair Value of Plan Assets at the end of the year	-	-
Defined Benefit Obligation at end of year	75.17	73.63
Liabilities recognized in the Balance Sheet	75.17	73.63

- c) Expenses recognized during the year

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Current & Past Service Cost	1.51	1.76
Interest Cost	3.87	4.25
Past Service Cost (Non -vested Benefits)	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	(1.09)	5.41
Net Cost Recognised in Profit and Loss Account	4.29	11.42

- d) Assumptions used to determine the defined benefit obligations

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Mortality Table (LIC)	LIC (1994-96)Ultimate	
Discount Rate (p.a.)	7.80%	8.05%
Estimated Rate of Return on Plan Asset	-	-
Expected Rate of increase in Salary (p.a.)	7.00%	7.00%

The estimates of rate of increase in salary considered in actuarial valuation, taking into account, inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is certified by Actuary.

<b>Particulars</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
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**NOTE - 25**

**FINANCE COST**

Interest Expenses	15,132.22	16,668.75
Other Borrowing Costs	13.66	14.05
<b>Total</b>	<b>15,145.88</b>	<b>16,682.80</b>

**NOTE - 26**

**OTHER EXPENSES**

Advertisement & Business Promotion Expenses	12.97	18.86
Bank Charges & Commission	1.74	5.75
Rent	73.80	118.47
Rates and Taxes	24.91	5.43
Printing and Stationery	7.98	8.01
Postage, Courier & Communication Expenses	19.60	23.36
Repair and Maintenance - Other	16.80	15.91
Manpower & Security Charges	17.04	19.77
Travelling, Conveyance & Vehicle Expenses	73.85	57.71

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Legal and Professional Charges	116.23	157.02
Loss on Sale of Fixed assets	1.76	0.48
Loss on Sale of Investment	729.69	7,019.64
Administrative, Office Expenses & Other expenses	132.47	44.31
Payment to Auditors (Refer Note No.26.1)	25.88	22.47
Prior Period Expenses	55.62	19.84
Donation	0.10	-
Wealth Tax	-	1.56
Preliminary, Pre-Operative & Share issue expenses written off	9.00	9.00
Sitting Fees to Directors	7.98	6.74
Insurance Charges	2.07	2.04
Interest on TDS & Service Tax	95.36	414.31
Interest on Stamp Duty	-	150.00
<b>Total</b>	<b>1,424.85</b>	<b>8,120.68</b>

**26.1 Payment To Auditors** (Including Service Tax)

Audit Fees	17.50	17.50
Tax Audit Fees	2.50	2.50
Internal Financial Control Audit fees	1.50	-
Certification Charges	1.00	-
Other matters	-	-
Service Tax	3.38	2.47
<b>Total</b>	<b>25.88</b>	<b>22.47</b>

**NOTE - 27****EARNINGS PER SHARE (EPS) - BASIC AND DILUTED**

Net Profit / (Loss) after Tax	(30,756.54)	(18,006.89)
Amount available for calculation of Basic & Diluted EPS	(30,756.54)	(18,006.89)
Weighted Average No. of Equity Shares outstanding for Basic & Diluted EPS (Nos.)	216,571,232	216,571,232
Basic & Diluted Earnings per share of Rs. 10/- each	(14.20)	(8.31)

**NOTE - 28****CONTINGENT LIABILITIES AND COMMITMENTS****a. Contingent Liabilities (To the extent not provided for):****(No Cash Out Flow is expected)****(i) Corporate guarantees given to Bank/Financial Institutions for borrowings taken by**

-Joint Venture

-

-Others

1,389,328.25 1,337,000.00

**(ii) Income Tax Demands not acknowledged as debts**

2,195.30 2,468.70

**(iii) Suit filed against the Company not acknowledged as debt**

41.49 41.49

**b. Uncalled liability on partly paid-up share**

4.00 4.00

**c. Capital Commitments:**

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances) as at 31st March, 2016 is NIL (Previous year Rs. Rs.855.73 Lacs). (Cash flow is expected on execution of such Capital Contracts on Progressive basis).

**NOTE - 29**

The Scheme of Amalgamation and Arrangement between the Three Transferor Companies namely 1) SKIL Infrastructure Limited (SKIL), 2) Horizon Country Wide Logistics Limited (HCWLL), 3) Fastlane Distriparks & Logistics Limited (FDLL) and Transferee Company namely Horizon Infrastructure Limited had been approved by Hon'ble Bombay High Court u/s 391 to 394 read with sections 78, 100 to 104 of the Companies Act, 1956 on September 20, 2013 and upon necessary filing with the Registrar of Companies on September 28, 2013, the scheme became effective, consequently the merger of Transferor Companies into Transferee Company

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

becomes effective from the appointed date of April 1, 2011 and hence this merged statement of accounts had been prepared for financial year 2012-2013 and onwards. Pursuant to the Scheme, the Registrar of Companies Mumbai, Maharashtra has sanctioned the change of the name of the Company from “ Horizon Infrastructure Limited” to “SKIL Infrastructure Limited” vide fresh Certificate of Incorporation dated January 22, 2014.

### NOTE - 30

#### EXCEPTIONAL ITEMS

Exceptional Item for the year ended March 31, 2016 includes loss of Rs.13,977.38 Lacs on sale of Company's part stake in Reliance Defence and Engineering Limited, associate of the company, to Reliance ADAG as per purchase agreement dated March 4, 2015.

### NOTE - 31

#### RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with related parties as defined in the Accounting Standard are given below:

a. List of related parties where control exists and related parties with whom transaction have taken place and relationships:

Name of the related Party	Relationship
SKIL-Himachal Infrastructure & Tourism Limited SKIL Shipyard Holdings Private Limited SKIL (Singapore) Pte Limited of Singapore Pipavav Electronic Warfare Systems Private Limited (Earlier known as SKIL Strategic Deterrence Systems Pvt. Ltd.) Energy India Corporation Limited SKIL Advanced Systems Private Limited Chiplun FTWZ Pvt. Ltd. Metrotech Technology Park Pvt. Ltd. Navi Mumbai SMART CITY Infrastructure Ltd. (Earlier known as Mahakaleshwar Knowledge Infrastructure Pvt. Ltd.) Gujarat-Dwarka Portwest Company Limited (Earlier known as Gujarat Positra Port Co. Ltd) SKIL Karnataka SEZ Limited SKIL Midivisana Engineering Private Limited SKIL Vision Aerial Solutions Private Limited (Struck off during FY 2015-16) Pipavav Aero Infrastructure Pvt. Ltd. Jansampada Engineering Company Pvt. Ltd. (Earlier known as Jansampada Infraprojects Pvt. Ltd.)	Subsidiaries
Reliance Defence and Engineering Limited Urban Infrastructure Holding Private Limited Rosoboronservice (India) Limited	Associates
Sohar Free Zone LLC	Joint Venture
Mr.Nikhil P. Gandhi Mr.Bhavesh P.Gandhi Mr. Ajay Khara Mr. Sudipan Bhaduri Mr. Nilesh Mehta	Key Management Personnel (KMP)
Pipavav Marine Offshore Limited E Complex Pvt. Ltd. Pipavav Engineering and Defence Services Limited Grevek Investments and Finance P. Ltd. Awaita Properties Pvt. Ltd. Rhett Infraprojects Pvt. Ltd. Nikhil P. Gandhi HUF Bhavesh P. Gandhi HUF M/s Metropolitan Industries	Enterprises over which Key Management Personnel are able to exercise significant influence.



## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

## b. Transaction with Related Parties

Nature of Transaction	Subsidiary	Associates / Joint Venture	KMP	Enterprises over which KMP has significant influence	Total
<b>Investments</b>					
Investment - purchased during the year	-	81.00	-	-	81.00
Investment - sold during the year	-	53,951.87	-	-	53,951.87
Investments written off during the year	6.00	-	-	-	6.00
Balance as at March 31, 2016	85,426.04	292,489.90	-	-	377,915.94
<b>Loans &amp; Advances</b>					
Advances Given	15,511.04	1,409.42	15.21	198.51	17,134.18
Advances Received Back	13,464.24	523.00	-	837.44	14,824.68
Advances as at March 31, 2016	34,644.74	1,209.61	50.72	1,769.05	37,674.12
<b>Current Liabilities</b>					
Advances Received	46.84	-	-	10,839.25	10,886.08
Advances Refund back	2,949.70	-	-	813.30	3,763.00
Balance as at March 31, 2016	3,158.57	-	-	10,035.65	13,194.22
<b>Redeemable Non Convertible Bonds</b>					
Balance as at the end of the year	-	-	-	100,400.00	100,400.00
Redemption premium payable	-	-	-	27,486.29	27,486.29
<b>Inter Corporate Deposit</b>					
Received	-	-	-	7,500.00	7,500.00
Balance as at March 31, 2016	-	-	-	11,890.00	11,890.00
Interest Expenses	-	-	-	525.00	525.00
Interest Income	-	32.51	-	235.51	268.02
Sale of Investments for Guarantees given to IFCI	-	-	-	68.69	68.69
Receivable at the end of the year (Loan and Advance)	-	-	-	68.69	68.69
Corporate Guarantee Given o/s as at end of the year	91,500.00	1,242,028.25	-	53,500.00	1,387,028.25
Managerial Remuneration	-	-	196.00	-	196.00

## c. Details of major transactions with related party

		2015-16	2015-16
Investment - Purchased / Allotted during the year			
	Rosoboronservice (India) Limited	81.00	-
	Energy India Corporation Ltd.	-	1.20
Investment - sold during the year	Reliance Defence and Engineering Limited	53,951.87	15,912.84
Investments written off during the year	SKIL Karnataka SEZ Limited	5.00	-
	Jansampada Engineering Co. Pvt. Ltd	1.00	-
Investment at the end of the year	Reliance Defence and Engineering Limited	185,144.37	239,096.24
	Urban Infrastructure Holdings Pvt. Ltd.	106,365.14	106,365.14
	Rosoboronservice (India) Limited	81.00	-
Advances Received	Grevek Investments & Finance Pvt.Ltd.	3,535.39	17,517.19
	SKIL-Himachal Infrastructure & Tourism Limited	46.84	3,605.28
	Awaita Properties Pvt.Ltd.	90.30	9.70
	Chiplun FTWZ Pvt. Ltd.	-	1,590.60
	SKIL Advanced Systems Private Limited		
	E Complex Pvt. Ltd.	7,213.56	-
Refund of Advance	Grevek Investment & Finance Pvt.Ltd.	222.35	20,040.44
	SKIL Himachal Infrastructure & Tourism Limited	2,934.42	0.73
	Navi Mumbai Smartcity Infrastructure Ltd.	-	856.26
	Awaita Properties Pvt.Ltd.	97.50	-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

		<b>2015-16</b>	(₹ in Lacs)
	Chiplun FTWZ Pvt. Ltd.	15.28	2015-16 4.76
	SKIL Advanced Systems Pvt.Ltd.		
	E Complex Private Limited	493.44	-
Advances at the end of the year	Grevek Investment & Finance Pvt.Ltd.	3,313.04	-
	SKIL Himachal Infrastructure & Tourism Limited	846.82	3,734.40
	Chiplun FTWZ Pvt. Ltd.	2,311.76	2,327.03
	Awaita Properties Pvt.Ltd.	2.50	9.70
	SKIL Advanced Systems Pvt.Ltd.		
	E Complex Private Limited	6,720.11	-
Redeemable Non convertible Bonds at the end of the year	Grevek Investments & Finance Pvt.Ltd.	100,400.00	100,400.00
Redemption Premium Payable	Grevek Investments & Finance Pvt.Ltd.	27,486.29	18,975.29
Inter-Corporate Deposit received during the year	Grevek Investments & Finance Pvt.Ltd.	7,500.00	-
Inter-Corporate Deposit at the end of the year	Grevek Investments & Finance Pvt.Ltd.	11,500.00	4,000.00
	Rhett Infraprojects Pvt.Ltd.	390.00	390.00
Advances Given	Energy India Corporation Limited	1.76	4.88
	Gujarat Dwarka Portwest Limited	3,517.33	9,461.97
	Pipavav Electronic Warfare Systems Pvt. Ltd.	4.36	0.30
	SKIL Advanced Systems Private Limited	29.45	126.60
	SKIL Karnataka SEZ Limited	0.18	0.07
	SKIL Shipyard Holdings Pvt. Ltd.	11,812.82	2,225.96
	Metrotech Technology Park Pvt. Ltd.	0.02	0.11
	Navi Mumbai Smartcity Infrastructure Ltd.	145.13	1.39
	Reliance Defence and Engineering Limited	516.42	723.20
	Rosoboronservice India Limited	893.00	-
	Pipavav Marine Offshore Limited	198.51	35.58
	Awaita Properties Pvt.Ltd.	-	9.00
	E Complex Pvt. Ltd.	-	728.60
	Mr. Nilesh Mehta	-	2.70
	Mr.Sudipan Bhaduri	15.21	6.95
	Grevek Investment & Finance Pvt.Ltd.	-	0.38
	SKIL Himachal Infrastructure & Tourism Ltd.	-	41.44
Advances received back	Energy India Corporation Limited	0.36	0.58
	Gujarat-Dwarka Portwest Limited	140.03	3,487.31
	Pipavav Electronic Warfare Systems Pvt. Ltd.	-	0.05
	SKIL Advanced Systems Private Limited	33.51	195.97
	SKIL Karnataka SEZ Limited	10.23	3,388.16
	SKIL Shipyard Holdings Pvt. Ltd.	11,884.07	2,341.99
	Metrotech Technology Park Pvt. Ltd.	-	11.00
	Navi Mumbai Smartcity Infrastructure Ltd.	4.85	856.26
	Reliance Defence and Engineering Limited	523.00	414.08
	Pipavav Marine Offshore Ltd.	750.00	-
	Awaita Properties Pvt. Ltd.	-	34.00
	E Complex Pvt. Ltd.	87.06	658.79
	Grevek Investments and Finance Pvt.Ltd.	0.38	-
	SKIL-Himachal Infrastructure & Tourism Limited	-	1,018.40
	SKIL Singapore Pte. Ltd.	1,391.19	-
Advance Receivable at the end of the year	Energy India Corporation Limited	26.10	24.70
	Gujarat-Dwarka Portwest Limited	9,547.04	6,169.74
	Pipavav Electronic Warfare Systems Pvt. Ltd.	35.57	31.22
	SKIL Advanced Systems Private Limited	433.68	437.74
	SKIL Karnataka SEZ Limited	-	10.06
	SKIL Shipyard Holdings Pvt. Ltd.	543.59	614.84
	SKIL Singapore Pte. Ltd.	13,695.92	15,087.11
	Metrotech Technology Park Pvt. Ltd.	537.42	537.40
	Navi Mumbai Smartcity Infrastructure Ltd.	9,825.40	9,685.13

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

		<b>2015-16</b>	2015-16
	Pipavav Marine Offshore Ltd.	987.28	35.58
	Reliance Defence and Engineering Limited	316.61	323.19
	Rosoboronservice (India) Limited	893.00	-
	E Complex Pvt. Ltd.	-	87.06
	Mr. Nileshe Mehta	2.91	3.30
	Mr. Sudipen Bhaduri	47.81	32.60
	Grevek Investments and Finance Pvt.Ltd.	-	0.38
	Nikhil P. Gandhi HUF	390.89	390.89
	Bhaveshe P. Gandhi HUF	390.88	390.88
Interest	Grevek Investments & Finance Pvt.Ltd.	525.00	525.00
Consultancy Income	SKIL (Singapore) Pte Limited	-	7,081.66
Interest Income	Reliance Defence and Engineering Limited	32.51	1.24
	Pipavav Marine Offshore Ltd	211.05	39.54
	E Complex Private Limited	24.46	-
Sale of Investments for Guarantees given to IFCI	Pipavav Marine Offshore Limited	68.69	1,503.19
Receivable at the end of the year (Loan and Advance)	Pipavav Marine Offshore Limited	68.69	1,503.19
Corporate Guarantee Given o/s at the end of the year	Reliance Defence and Engineering Limited	1,242,028.25	1,236,700.00
	SKIL Shipyard Holdings Pvt. Ltd.	27,500.00	27,500.00
	Navi Mumbai SMART CITY Infrastructure Ltd.	24,500.00	20,000.00
	E Complex Pvt. Ltd.	27,000.00	25,000.00
	Chiplun FTWZ Pvt. Ltd.	2,500.00	2,500.00
	Gujarat-Dwarka Portwest Limited	37,000.00	12,000.00
	Grevek Investments and Finance Pvt.Ltd.	8,500.00	-
	Pipavav Engineering & Defence Services Limited	18,000.00	11,000.00
Managerial Remuneration	Mr. Ajay Khera	100.00	100.00
	Mr. Sudipen Bhaduri	60.00	60.00
	Mr. Nileshe Mehta	36.00	42.00

**NOTE - 32****SEGMENT INFORMATION:-**

The Company is mainly engaged in Infrastructure activity. All the Activities of the Company revolve around this main Business as such there are no separate reportable Segments as per Accounts Standard on Segment Reporting.

**NOTE - 33****EXPENDITURE IN FOREIGN CURRENCY :**

<b>Particulars</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
Travelling Expenses	19.21	7.31
<b>Total</b>	<b>19.21</b>	<b>7.31</b>

**NOTE-34****Jointly Controlled Entity :**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Ownership interest</b>	
		<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
Sohar Free Zone LLC	Sultanate of Oman	33.33%	33.33%

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

<b>Particulars</b>	<b>As at December 31, 2015</b>	<b>As at December 31, 2014</b>
<b>Assets</b>		
- Long Term Assets	4,565.32	4,518.67
- Current Assets	1,318.91	1,258.65
<b>Liabilities</b>		
- Non Current Liabilities	2,809.56	3,175.11
- Current Liabilities & Provisions	2,334.24	1,856.18
<b>Income</b>	1,896.59	1,320.15
<b>Expenses</b>	1,956.96	1,482.11

**NOTE-35**

**LEASES**

The Company has entered into cancellable arrangements for taking on leave and license basis certain office premises, accommodation and guest house. The specified disclosure in respect of these agreements is given below:

	<b>As at March 31, 2016</b>	<b>As at March 31, 2015</b>
Lease payments recognised in statement of profit and loss account for the year	73.80	118.47

i) There is no Escalation clause in the lease agreement.

ii) There is no restriction imposed by lease arrangements.

iii) There are no subleases.

**NOTE-36**

**CAPITAL WORK IN PROGRESS**

Opening Balance		18,402.39
<u>Add : Addition During The Year</u>		
Depreciation	0.04	
Interest	4,727.60	
Rates & Taxes	26.31	4,753.95
Closing Balance	<u>-</u>	<u>23,156.34</u>

**NOTE-37**

Previous year figures are regrouped, rearranged and reclassified wherever necessary.

**AS PER OUR REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

**SUDIPAN BHADURI**  
Chief Financial Officer

**BHAVESH GANDHI**  
Director  
DIN: 00030623

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

**NILESH MEHTA**  
Company Secretary

**J. ALEXANDER**  
Director  
DIN: 00485766

## Independent Auditor's Report on Consolidated Financial Statements

### TO THE MEMBERS OF SKIL INFRASTRUCTURE LIMITED

#### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **SKIL INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company" or "the Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements")

#### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that gives a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates and jointly controlled entities 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. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates and jointly controlled entities as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

#### Other Matters

1. We did not audit the financial statements of five subsidiaries whose financial statements / financial information reflect total assets (net) of Rs.13,869.19 Lacs as at 31st March, 2016, total revenues of 0.39 Lacs and net cash outflows amounting to Rs.125.97 Lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit/loss of Rs. (13,921.89 Lacs) for the year ended 31st March, 2016, as considered in the consolidated financial statements, in respect of two associates, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates,

and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.

2. We did not audit the financial statements of five subsidiaries whose financial statements / financial information reflect total assets (net) of Rs.9 Lacs as at 31st March, 2016, total revenues of NIL and net cash outflows amounting to Rs.NIL for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited as they are in the process of strike off and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
3. We did not audit the financial statements / financial information of one subsidiary whose financial statements / financial information reflects total assets (net) of Rs.13,637.98 Lacs as at 31st March, 2016, total revenues of Rs.0.03 Lacs and net cash flows outflows amounting to Rs.11.27 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.
4. We did not audit the financial statements of one jointly controlled entity (Joint Venture), whose financial statements reflect total assets (net) of Rs. 346.32 Lacs as at 31<sup>st</sup> December, 2015, total revenues of Rs. 1,897.83 Lacs and net cash inflows amounting to Rs. 343.21 Lacs for the year ended on that date, as considered in the consolidated financial statements.

This Jointly Controlled entity is having financial year ending as on 31<sup>st</sup> December of every year, since it is impracticable to get the financial data as on 31<sup>st</sup> March, 2016, as such we have considered the financial data of this entity as on 31<sup>st</sup> December, 2015 which is in line with Accounting Standard 21 and 27 as issued by Institute of Chartered Accountants of India.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company, subsidiary companies, associate companies and jointly controlled companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and jointly controlled companies, none of the directors of the Group companies, its associate companies and jointly controlled companies is disqualified as on 31st March, 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 Group 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 Auditor's) 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 consolidated financial position of the Group, its associates and jointly controlled entities.
- ii. The Group, its associates and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies.

**For Bharat Shah & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 101249W**

**(Bharat A. Shah)**  
**Proprietor.**  
**Membership No.32281**

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

#### **ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

Our reporting on the Order includes five subsidiary companies and two associate companies incorporated in India, to which the Order is applicable, which have been audited by other auditors and our report in respect of these entities is based solely on the reports of the other auditors, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of five subsidiary companies incorporated in India, which has been included in the consolidated financial statements based on the unaudited financial statements of such entities provided to us by the Management and which are applied for strike off, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is not applicable in respect of the entity, since the entity is unaudited and under the process of strike off, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

In respect of a subsidiary company incorporated outside India, which has been included in the consolidated financial statements based on unaudited financial statements of such entity provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of the entity, since the entity is unaudited, the possible effects of the same on our reporting under the Order in the case of these consolidated financial statements has not been considered.

In respect of a jointly controlled entity (Joint Venture) outside India, which has been included in the consolidated financial statements, with financial year ending as on 31st December which has been audited by other auditor, and thus financial statements as on 31st December 2015 has been considered for consolidation purpose and our report in respect of this entity is based solely on the report of the other auditor, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

- 1) In respect of the fixed assets of the Group, associate companies and jointly controlled entity:
  - a) The respective entities have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) All the fixed assets has been physically verified by the management during the year which in our opinion and the other auditors is reasonable having regard to the size of the company and nature of its fixed assets and no material discrepancies were noticed on such physical verification.
  - c) Based on our audit procedures performed and other auditors for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the title deed of immovable properties aggregating to Rs. 21,945.39/- lacs are not held in the name of the company but in the name of Amalgamating Company for which an Application has been filed for change of name with the Land Authority and is in the process of change.
- 2) In respect of the inventories of the Group, associate companies and jointly controlled entity:

As explained to us and the other auditors, the inventories were physically verified during the year by the Management of the respective entities at reasonable intervals and no material discrepancies were noticed on physical verification.

- 3) The Group, associate companies and jointly controlled entity have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. And hence the clause of the Para 3 (iii) (a), (b) and (c) is not applicable.
- 4) In our opinion and according to the information and explanations given to us and the other auditors, there are no loans, investments, guarantees, and securities granted in the Group, associate companies and jointly controlled entity in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- 5) According to information and explanation given to us and the other auditors, the entities have not accepted any public deposits, and hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable to the Group, associate companies and jointly controlled entity for the year under audit.
- 6) We have been informed by the management that the Central Government has not prescribed maintenance of cost records for the Group, associate companies and jointly controlled entity under sub-section (1) of section 148 of the Companies Act, 2013. Therefore the provision of clause (vi) of para 3 is not applicable.
- 7) According to the records of the Company and the information and explanations given to us, in respect of statutory dues of the Group, associate companies and jointly controlled entity:
- (a) The respective entities have generally been regular in depositing the undisputed statutory dues including provident fund, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to the respective entities with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2016, for the period of more than six months from the date becoming payable except Income tax liability of Rs.71.46 Lacs, Income tax (TDS) of Rs.808.70 Lacs, Wealth Tax of 3.60 Lacs, Service tax payable of Rs.0.39 Lacs, Interest and Penalty on TDS Payable of Rs.1,022.27 Lacs and Stamp duty payable of Rs.2,500/- Lacs.
- (b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty, Excess Duty, VAT and cess on account of any dispute which have not been deposited except in certain cases by the aforesaid entities. The disputed statutory dues aggregating to Rs.2,195.30 Lacs have not been deposited on account of disputed matters pending before the appropriate authorities as under:

Name of the Statue	Nature of the dues	Year	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Block Assessment dues	Assessment Year 2007-08	90.49	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2009-10	613.45	ITAT-Mumbai Bench
Income Tax Act, 1961	Income Tax Block Assessment dues	Assessment Year 2009-10	106.39	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2010-11	172.49	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2010-11	21.21	ITAT-Mumbai Bench
Income Tax Act, 1961	Income Tax Block Assessment dues	Assessment Year 2010-11	291.41	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2011-12	180.77	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2011-12	140.89	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2012-13	77.68	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2013-14	430.52	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Interest on TDS u/s 201(IA)	Assessment Year 2012-13	70.01	ACIT (TDS)-3(2)
<b>Total</b>			<b>2,195.30</b>	

- 8) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Group, associate companies and jointly controlled entity have not defaulted in the repayment of dues to banks, financial institutions and debenture holders except for amount payable to banks aggregating to Rs.17,315.95 Lacs/- and financial institutions of Rs.15.68 Lacs. The lender wise details are tabulated as under:

Sr. no.	Particulars	Principal Default (Rs. In lacs)	Period of default since	Interest Default (Rs. In lacs)	Period of default since
1	Loan From Central Bank of India_II	7,500.00	Sep-15	1,305.51	Jul-15
2	Loan From Union Bank of India	-	-	75.67	Jan-16
3	Loan From Central Bank of India_III	5,000.00	Mar-16	587.92	July-15
4	Loan From IDBI – CC	150.00	Jan-16	-	-
5	Loan From IDBI Bank	333.00	Jan-16	510.45	Aug-15
6	Loan From IDBI FITL I	400.00	Aug-15	83.65	Aug-15
7	Loan From IDBI FITL II	235.00	Aug-15	-	-

Sr. no.	Particulars	Principal Default (Rs. In lacs)	Period of default since	Interest Default (Rs. In lacs)	Period of default since
8	Loan From Yes Bank – I	356.79	Mar-16	194.72	Feb-16
9	Loan From Yes Bank Ltd- II	-	-	580.36	Feb-16
10	Loan From Shivalik Bank	-	-	2.87	Jan-16
11	Loan from IL & FS Financial Services	-	-	15.68	Jan-16
	<b>Total</b>	<b>13,974.79</b>		<b>3356.84</b>	

- 10) In our opinion and the opinion of the other auditors and according to the information and explanations given to us and the other auditors, the Group, associate companies and jointly controlled entity have not raised any money by way of initial public offer or further public offer ( including Debt Instruments) and term loans applied for the purpose for which they were raised, Therefore the provision of clause (ix) of para 3 is not applicable.
- 11) During the course of our examination and the other auditors of the books and records of the Group, associate companies and jointly controlled entity, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and other auditors by the management, no instance of material fraud on or by the Group, associate companies and jointly controlled entity, noticed or reported during the year.
- 12) Based on the audit procedures performed by us and other auditors for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013 except as below:

Name of the Director to whom remuneration is provided which is not in accordance with Section 197	Total Remuneration provided/(paid) (Rs. In Lacs)	Remarks
Ajay Khera	66.67 (10)	The Company has filed an Application with the Central Government, the approval of which is pending as on date

- 14) The Group, associate companies and jointly controlled entity are not a Nidhi Company. Therefore the provision of clause (xii) of para 3 is not applicable.
- 15) In our opinion and the other auditors, and according to the information and explanations given to us and other auditors by the Management in respect of the Group, associate companies and jointly controlled entity, all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc, as required by the applicable accounting standard.
- 16) In our opinion and the other auditors, and according to the information and explanations given to us and other auditors, the Group, associate companies and jointly controlled entity have not made any preferential allotment or private placements of shares or fully or partly convertible debentures under review. Therefore the provisions of clause (xiv) of para 3 is not applicable.
- 17) The Group, associate companies and jointly controlled entity have not entered into any non-cash transactions with directors or persons connected with him. Therefore the provision of clause (xv) of para 3 is not applicable.
- 18) In our opinion and other auditors, and according to the information and explanations given to us and other auditors, the Group, associate companies and jointly controlled entity are not required to be registered under section 45IA of The Reserve Bank of India Act, 1934. Therefore the provision of clause (xvi) of para 3 is not applicable.

**For Bharat Shah & Associates**

**Chartered Accountants**

**Firm Reg. No. 101249W**

**(Bharat A. Shah)**

**Proprietor**

**Membership No.32281**

**Place : Mumbai**

**Date : May 26, 2016**

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SKIL INFRASTRUCTURE LIMITED**

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of **SKIL INFRASTRUCTURE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the of the Holding company, its subsidiary companies and its associate companies, which are companies incorporated in India, are 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 (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 the respective 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.

#### **Auditor's 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") issued by the ICAI 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 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 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, 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.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 5 subsidiary companies, and 2 associate companies, which are companies incorporated in India, is based on the corresponding reports of the other auditors of such companies incorporated in India.

### **For Bharat Shah & Associates**

**Chartered Accountants**

**Firm Reg. No. 101249W**

**(Bharat A. Shah)**

**Proprietor**

**Membership No.32281**

**Place : Mumbai**

**Date : May 26, 2016**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2016**

(₹ in Lacs)

Particulars	Note No.	As At March 31, 2016	As At March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	21,657.12	21,657.12
Reserves and Surplus	3	<u>156,166.00</u>	<u>211,813.45</u>
		177,823.12	233,470.57
<b>Minority Interest</b>		7,246.74	7,267.64
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	254,931.54	229,490.16
Deffered Tax Liability	5	116.03	110.82
Other Long Term Liabilities	6	28,520.97	18,975.29
Long-Term Provisions	7	<u>21.27</u>	<u>21.94</u>
		283,589.81	248,598.21
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	8	29,713.00	37,922.25
Trade Payables	9	2,249.89	15,303.71
Other Current Liabilities	10	85,305.11	100,865.22
Short-Term Provisions	11	<u>61.41</u>	<u>57.62</u>
		117,329.41	154,148.80
<b>Total</b>		<b><u>585,989.08</u></b>	<b><u>643,485.22</u></b>
<b>II. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	44,391.32	45,067.94
Intangible Assets		8.67	12.54
Capital Work-in-Progress	37	<u>70,907.81</u>	<u>56,025.72</u>
		115,307.80	101,106.20
Non-Current Investments	13	332,801.60	421,890.58
Long-Term Loans and Advances	14	20,130.84	20,152.88
Other Non current assets	15	<u>2,281.00</u>	<u>2,290.00</u>
		355,213.44	444,333.46
<b>CURRENT ASSETS</b>			
Current Investments	16	3,441.95	3,637.72
Trade Receivables	17	6,674.57	20,493.77
Cash and Cash Equivalents	18	3,045.95	2,142.21
Short-Term Loans and Advances	19	101,825.64	71,749.14
Other Current Assets	20	<u>479.73</u>	<u>22.72</u>
		115,467.84	98,045.56
<b>Total</b>		<b><u>585,989.08</u></b>	<b><u>643,485.22</u></b>
<b>Significant Accounting Policies</b>	1		
<b>Notes to Consolidated Financial Statements</b>	2 to 38		

**AS PER OUR REPORT OF EVEN DATE**

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

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

**SUDIPAN BHADURI**  
Chief Financial Officer

**NILESH MEHTA**  
Company Secretary

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**BHAVESH GANDHI**  
Director  
DIN: 00030623

**J. ALEXANDER**  
Director  
DIN: 00485766



**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
<b>Revenue</b>			
Revenue from Operations	21	1,873.72	8,282.79
Other Income	22	2,522.30	478.02
<b>Total Revenue</b>		<b>4,396.02</b>	<b>8,760.81</b>
<b>Expenses</b>			
Cost of Operations	23	-	-
Employee Benefits Expenses	24	1,083.62	1,095.03
Finance Costs	25	23,588.88	21,704.74
Depreciation and Amortisation Expenses	12	378.78	406.30
Other Expenses	26	2,755.68	8,793.78
<b>Total Expenses</b>		<b>27,806.96</b>	<b>31,999.85</b>
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>(23,410.94)</b>	<b>(23,239.04)</b>
<b>Exceptional Items</b>	31	<b>(10,935.10)</b>	-
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>(34,346.04)</b>	<b>(23,239.04)</b>
Extraordinary Items			
<b>Profit / (Loss) before Tax</b>		<b>(34,346.04)</b>	<b>(23,239.04)</b>
Tax Expenses: Earlier Years		(56.39)	-
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>(34,402.43)</b>	<b>(23,239.04)</b>
Profit / (Loss) for the period from Discontinuing Operations		-	-
Tax Expenses of Discontinuing Operation		-	-
Profit / (Loss) for the period from Discontinuing Operations (After Tax)		-	-
Share of Minority Interest		20.89	6.04
Share of Profit of Associates		(13,921.89)	(14,474.01)
<b>Profit / (Loss) for the period</b>		<b>(48,303.43)</b>	<b>(37,707.01)</b>
<b>Earnings Per Share of Rs.10 each</b>	28		
- Basic and Diluted (Rs.)		(22.30)	(17.41)
<b>Significant Accounting Policies</b>	1		
<b>Notes to Consolidated Financial Statements</b>	2 to 38		

**AS PER OUR REPORT OF EVEN DATE****FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****For BHARAT SHAH & ASSOCIATES**Chartered Accountants  
Firm Registration No. 101249W**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281**SUDIPAN BHADURI**  
Chief Financial Officer**BHAVESH GANDHI**  
Director  
DIN: 00030623**Date : May 26, 2016**  
**Place : Mumbai****NILESH MEHTA**  
Company Secretary**J. ALEXANDER**  
Director  
DIN: 00485766

## CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>A Cash Flow From Operating Activities</b>		
Net Profit /(Loss) before tax as per Profit & Loss Account	(34,346.04)	(23,239.04)
Adjusted for:		
Wealth Tax		1.56
Depreciation	378.78	406.30
Interest Income	(2,350.04)	(85.51)
Dividend Income	(25.85)	(103.45)
(Profit) / Loss on Sale of Fixed Assets (Net)	1.76	(1.27)
Interest & Financial Charges	23,588.89	21,704.74
Miscellaneous Expenditure Written Off	9.00	9.00
Gain on Revaluation of fixed assets due to change in accounting policy	-	(279.58)
Loss on Sale of Investments including Exceptional Items	11,664.79	7,106.78
<b>Operating profit before working capital changes</b>	<b>(1,078.71)</b>	<b>5,519.53</b>
<b>Adjusted for:</b>		
Trade & Other Receivables	(15,577.37)	28,004.07
Trade Payables ,Creditors & Provisions	(7,097.51)	(64,490.76)
<b>Cash Generated From Operations</b>	<b>(23,753.59)</b>	<b>(30,967.16)</b>
Direct Tax Paid	(4.32)	(3.49)
<b>Net Cash used in Operating Activities</b>	<b>(23,757.91)</b>	<b>(30,970.65)</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of fixed assets & Capital Work-in-Progress	(14,604.39)	(9,301.35)
Sale of fixed assets & Capital Work-in-Progress	22.25	12,794.20
Purchase of Investments	(81.00)	-
Sale of Investments	63,779.37	10,960.72
Dividend Income	25.55	103.12
Interest Income	2,350.04	85.51
<b>Net Cash Flow used in Investing Activities</b>	<b>51,491.82</b>	<b>14,642.20</b>
<b>C Cash Flow From Financing Activities</b>		
Repayment of Long Term Borrowing (Net)	(4,746.82)	17,082.48
Short Term Borrowings (Net)	(8,209.25)	23,930.97
Interest & Financial Charges	(13,874.10)	(23,936.14)
<b>Net Cash flow from Financing Activities</b>	<b>(26,830.17)</b>	<b>17,077.31</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	<b>903.74</b>	<b>748.86</b>
<b>Cash &amp; Cash equivalents (Opening)</b>	<b>2,142.21</b>	<b>1,393.35</b>
<b>Cash &amp; Cash equivalents (Closing)</b>	<b>3,045.95</b>	<b>2,142.21</b>
(i) The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 "Cash Flow Statements".		
(ii) Figures in brackets indicate outflows.		

**AS PER OUR REPORT OF EVEN DATE**

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

**SUDIPAN BHADURI**  
Chief Financial Officer

**BHAVESH GANDHI**  
Director  
DIN: 00030623

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

**NILESH MEHTA**  
Company Secretary

**J. ALEXANDER**  
Director  
DIN: 00485766

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

## NOTE-1

## SIGNIFICANT ACCOUNTING POLICIES:

## A. GENERAL

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (“AS”) 21 on Consolidated Financial Statements, AS 23 on Accounting for Investments in Associates in Consolidated Financial Statements and AS 27 on Financial reporting of Interest in Joint Venture issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statements comprises the financial statement of SKIL Infrastructure Limited (“the Company”/“SKIL”), its subsidiaries, its associates and joint venture. The Company, its subsidiaries, associates & joint venture constitute the SKIL Group. Reference in these notes to the ‘Company’ or SKIL shall mean to include SKIL Infrastructure Limited or any of its subsidiary or associate or joint venture consolidated in these financial statements unless otherwise stated.

The list of Subsidiary Companies, Associate Companies & Joint Venture which is included in consolidation and the Parent Company’s holdings therein are as under:

The Subsidiary Companies considered in the consolidated financial statements are:

Name of the Subsidiaries	Country of Incorporation	Percentage of Ownership Interest
SKIL Advanced Systems Private Limited	India	100%
SKIL Singapore Pte. Ltd.	Singapore	100%
SKIL Shipyard Holdings Private Limited	India	100%
SKIL Himachal Infrastructure & Tourism Limited	India	100%
Pipavav Electronic Warfare Systems Pvt. Ltd.	India	100%
Energy India Corporation Limited	India	100%
Gujarat Dwarka Port-west Limited	India	73.60%
Metrotech Technology Park Private limited	India	100%
Navi Mumbai SMART CITY Infrastructure Ltd.	India	84.96%
Chiplun FTWZ Private limited	India	52%

The following subsidiaries are in the process of strike off and are considered for consolidation only upto the date of it applying for strike off:

Name of the Subsidiaries/Fellow Subsidiaries	Country of Incorporation	Percentage of Ownership Interest
SKIL Karnataka SEZ Limited	India	100%
Jansampada Engineering Company Private Limited	India	100%
Pipavav Aero Infrastructure Pvt. Ltd.	India	100%
SKIL Midivisana Engineering Pvt. Ltd.	India	100%
SKIL Vision Aerial Solutions Pvt. Ltd.	India	100%

The Associates/Joint Venture considered in the consolidated financial statements are:

Name of the Company	Associate/ Joint Venture	Country of Incorporation	Percentage of Ownership Interest
Reliance Defence and Engineering Limited	Associate	India	26.33%
Rosoboronservice (India) Limited	Associate	India	20.00%
Sohar Free Zone LLC	Joint Venture	Sultanate of Oman	33.33%

\* Urban Infrastructure Holdings Pvt. Ltd. is an Associate of the Company, but the same has not been taken into consideration for consolidation purposes.

- (ii) The Company maintains its accounts on accrual basis following the historical cost convention in accordance with Generally Accepted Accounting Principles (“GAAP”) & in compliance with the Accounting Standards referred in referred in Section 133 and other provisions of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (iii) The preparation of financial statements in conformity with GAAP requires that the management of the Company makes estimates & assumptions that affect the reported amounts of income & expenses of the period, the reported balances of assets & liabilities & the disclosures relating to contingent liabilities as of the date of the financial statements. Actual results could differ from estimates.
- (iv) The financial statements of the Company and its subsidiary Companies have been consolidated on a line – by – line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra – group balances and intra – group transactions resulting in unrealized profits or unrealized cash losses.
- (v) The Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as the company’s separate financial statements.

- (vi) The excess of cost of investment in the Subsidiary Companies over the Company's portion of equity of the Subsidiary at the date of investment made is recognized in the financial statements as goodwill. The excess of Company's portion of equity of the Subsidiary over the cost of the investment therein is treated as Capital Reserve.
- (vii) Minority interest in the net assets of consolidated subsidiaries is identified and presented in the consolidated Balance Sheet separately from liabilities and equity of the Company's Shareholders.
- (viii) Minority Interest's share of Net Profit / (Loss) for the year of consolidated subsidiaries identified and adjusted against the profit after tax of the group.
- (ix) Investment in associates where the company directly or indirectly through subsidiaries holds 20% or more than 20% of equity, are accounted for using equity method as per Accounting Standard 23 – "Accounting for investments in Associates in Consolidated Financial Statement" notified by Companies (Accounting Standard) Rules, 2006 (as amended).
- (x) Interest in joint Ventures have been accounted by using the proportionate consolidation method as per Accounting Standard 27- "Financial Reporting of interests in joint Ventures" notified by Companies (Accounting Standard) Rules, 2006 (as amended).
- (xi) The financial statements of the subsidiaries, associates and joint ventures used in the consolidation are drawn up to the same reporting date as that of the Company i.e. 31<sup>st</sup> March, 2016, except a joint venture for which financial statements as on the reporting date are not available. These have been consolidated based on the latest available financial statements.
- (xii) In the absence of financial statements as on the reporting date for an associate, no adjustment has been made in the consolidated financial statements.
- (xiii) Unaudited financial statements of SKIL Singapore Pte. Ltd, being a subsidiary, has been considered for consolidation.

#### **B. VALUATION OF FIXED ASSETS & DEPRECIATION**

- a) Fixed Assets are valued at cost of acquisition inclusive of inward freight, duties, taxes and incidental expenses, less accumulated depreciation.
- b) Expenditure related to and incurred during implementation of projects are included under Capital Work-in-progress and the same are capitalized under the appropriate heads on completion of the projects.
- c) The Company has changed its method of depreciation from Written Down Value Method ("WDV") to Straight Line Method ("SLM") with effect from 1st April 2014. As a result of the change in the method of depreciation, difference between the carrying value as per WDV Method and SLM Method has been recognised in the Profit & Loss Account in FY 2014-15.
- d) Depreciation on tangible Fixed Assets is provided on Straight Line Method over the useful lives of the assets as prescribed under Part C of Schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during a period is proportionately charged. Further, the carrying value (net residual value) of assets whose remaining useful life is NIL as at 1st April, 2014, has been recognized in the opening balance of retained earnings.
- e) Depreciation on Intangible Fixed Assets has been accounted as per AS-26-Intangible Assets.

#### **C. INVESTMENTS**

Current investments are carried at the lower of cost & quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

#### **D. REVENUE RECOGNITION**

- i. Revenues are recognised when it is earned and no significant uncertainty exists as to its ultimate collection and includes, service tax, wherever applicable.
  - ii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established.
- Turnover includes sales of goods and services inclusive of applicable taxes and net of trade discounts.

#### **E. INVENTORIES**

Inventories are measured at cost. Cost is determined on weighted average basis.

#### **F. EMPLOYEE BENEFITS**

- i) Short term employee benefits are recognized as an expenses in the profit and loss account of the year in which the related services is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the profit and loss account.

**G. PROVISION FOR CURRENT AND DEFERRED TAXES:**

Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.

Deferred tax resulting from "timing differences" between taxable and accounting income is accounted for using the tax rules and laws that are enacted or substantially enacted as on the balance sheet date. The Deferred Tax asset is recognised and is carried forward only to the extent there is a virtual certainty that the asset will be realized in future.

**H. FOREIGN CURRENCY TRANSACTIONS:**

(i) The reporting currency of the Company is Indian Rupee

(ii) Foreign currency transactions are recorded on initial recognition in the reporting currency, using the exchange rate at the date of the transaction.

a) At each Balance Sheet date, foreign currency monetary items are reported using the closing rate.

b) Non-monetary items, carried at historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

c) Exchange differences that arise on settlement of monetary items or on reporting of monetary items at each Balance Sheet date at the closing rate are recognised as income or expense in the period in which they arise.

(iii) Financial statements of overseas non-integral operations are translated as under:

a) Assets and liabilities at the rate prevailing at the end of the year. Depreciation and amortisation is accounted at the same rate at which assets are converted.

b) Revenues and expenses at yearly average exchange rates prevailing during the year.

Exchange differences arising on translation of non-integral foreign operations are accumulated in the foreign currency translation reserve until the disposal of such operations.

**I. PROVISION, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognised nor disclosed in the financial statements

**J. PRELIMINARY AND ISSUE EXPENSES**

Preliminary and Expenses related to issue of equity and equity related instruments are amortised over a period of ten years as per Section 35D of Income Tax Act, 1961.

**K. INTANGIBLE ASSETS**

Intangible assets are stated at cost of acquisition less accumulated Amortization. Software, which is not integral part of the related hardware, is classified as an intangible asset and is amortized over the useful life of three years. Amortization is done on straight line method.

**L. LEASES**

**Where the Company is lessee**

Leases where the lesser effectively retains substantially all the risk and benefits of ownership of the leased item, are classified as operating leases. Operating Lease payments are recognized as an expenses in the statement of profit and loss account on a straight basis over the lease term.

**M. EXTRAORDINARY AND EXCEPTIONAL ITEMS**

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is made in the financial statements. Similarly, any external event beyond the control of the Company, significantly impacting income or expense, is also treated as extraordinary item and disclosed as such.

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

**N. EARNINGS PER SHARE**

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

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.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
91,10,00,000 Equity Shares of Rs. 10/- each (Previous year 91,10,00,000)	91,000.00	91,000.00
<b>Total</b>	<b>91,000.00</b>	<b>91,000.00</b>
<b>Issued and Subscribed &amp; Paid up</b>		
21,65,71,232 Equity Shares of Rs.10/- each fully paid up (Previous Year 21,65,71,232)	21,657.12	21,657.12
<b>Total</b>	<b>21,657.12</b>	<b>21,657.12</b>

**2.1 (a) Reconciliation of number of Equity shares outstanding at the beginning and at the end of the year**

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	(Rs in Lacs)	No. of Shares	(Rs in Lacs)
No. of shares at the beginning of the year	216,571,232	21,657.12	216,571,232	21,657.12
Add: Shares issued during the year	-	-	-	-
No. of shares at the end of the year	216,571,232	21,657.12	216,571,232	21,657.12

**2.2 (a) Details of Shareholders, holding more than 5% of Paid up Equity Share Capital of the Company**

Name of Shareholders	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Metropolitan Industries	87,410,539	40.36%	87,417,716	40.36%
Montana Infrastructure Ltd	34,848,791	16.09%	50,792,841	23.45%
Ashoka Investment Holdings Private Ltd	11,276,659	5.21%	11,276,659	5.21%
SREI Infrastructure Finance Limited	17,666,820	8.16%	-	-

**2.3 Right to Equity Shareholders :**

The Company has only one class of Equity Share having par value of Rs.10/- per share. Each Equity shareholder is eligible for one vote per share held. In the event of liquidation of the company, the equity shareholders will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity share held by the shareholders.

Particulars	As At March 31, 2016	As At March 31, 2015
<b>NOTE - 3</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
Balance as per last Balance Sheet	17,952.56	26,463.56
Less: Redemption Premium on Redeemable Non Convertible Bonds	8,511.00	8,511.00
	9,441.56	17,952.56
<b>Foreign Currency Translation Reserve</b>		
Balance as per last Balance Sheet	430.29	1,069.31
Add/ (Less) : During the year	1,141.50	(639.02)
	1,571.79	430.29
<b>Statutory Reserve</b>		
Balance as per last Balance Sheet	11.78	10.88
Add : Addition during the year	-	0.90
	11.78	11.78
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	244,287.32	246,787.34
Less: Merger Expenses	-	(2,500.00)
Add / (Less): Goodwill	25.48	(0.02)
	244,312.80	244,287.32



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

Particulars	As At March 31, 2016	As At March 31, 2015
<b>Surplus</b>		
Balance as per last Balance Sheet	(50,868.50)	(13,056.52)
Profit/(Loss) during the year	(48,303.43)	(37,707.01)
Amount available for appropriation	(99,171.93)	(50,763.53)
Add/(Less): Appropriations		
Retained earning	-	(104.97)
	(99,171.93)	(50,868.50)
<b>Total</b>	<b>156,166.00</b>	<b>211,813.45</b>

**NOTE - 4****LONG TERM BORROWINGS****SECURED**

Term Loan from Bank	41,717.51	46,034.51
Term Loan from a Financial Institution	59,460.00	11,745.00
Inter Corporate Deposits	18,340.20	39,799.85
Vehicle Loans	49.17	10.80
275 Nos.(previous year 275) 14% Secured NCD of Rs. 34,50,000 Each (PY Rs 1,00,00,000 Each)	9,487.50	27,500.00
	129,054.38	125,090.16

**UNSECURED**

175 Nos.(previous year 175 Nos) 3% Redeemable Non Convertible Bonds of Rs.1,00,00,000 Each	17,500.00	17,500.00
829 Nos.(previous year 829 Nos) 0% Redeemable Non Convertible Bonds of Rs.1,00,00,000 Each	82,900.00	82,900.00
Inter Corporate Deposits		
- Related Parties	11,500.00	4,000.00
- Others	13,977.16	-
	125,877.16	104,400.00
<b>Total</b>	<b>254,931.54</b>	<b>229,490.16</b>

**4.1** Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs 18,431.75 Lacs included in current maturities of long term debt in Note No. 9 are secured as under:

- i) Rs. 522.25 Lacs from a Bank is secured by way of Equitable mortgage of land owned by other Body Corporates.
- ii) Term loan of Rs. 9,633.23 Lacs from Bank is secured by :
  - Exclusive pari passu charge on the entire moveable and immovable assets, current assets of the Company both present & future related to CFS project.
  - Exclusive charge on immovable property of other body corporate.
  - Pledge of 34,23,651 shares of Company held by others.
  - First pari-passu charge on immovable property of a subsidiary company.
  - Corporate Guarantee given by subsidiary and other body corporate
  - Personal guarantee given by two Director of the Company
- iii) Term loan of Rs. 28,682.46 Lacs from a Banks are secured by :
  - First pari-passu charge on the entire present & future project moveable and immovable assets and all right, title & interest of the SKIL (earlier transferor company 'FDLL') related to CFS Project of the Company.
  - Second charge on present & future current assets of the Company ('FDLL').
  - First pari-passu charge on immovable property of other body corporates, and further secured by personal guarantee given by a Director.
  - Pledge of 60,18,075 shares of company held by others.
  - Corporate Guarantee given by subsidiary and other body corporate
  - Personal guarantee given by two Director of the Company
- iv) Term loan of Rs.5,775.52 Lacs from Bank is secured by :

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

- First mortgage and charge on all immoveable and moveable properties of the Company (related to erstwhile Horizon Infrastructure Ltd) , both present and future.
  - Exclusive charge on immovable property of Subsidiary.
  - Pledge of investment of Shares in Subsidiary.
  - Pledge of 1,322,764 shares of Company held by others.
  - Personal guarantee given by two Directors of the Company
- v) Term loan of Rs. 7,500.00 Lacs from a Bank is secured by way of Equitable mortgage of land owned by other body corporate along with corporate guarantee given by the same Company. Further secured by personal guarantee given by two Directors of the Company.
- vi) Rs.59,460.00 Lacs from a Financial Institution is secured by way of pledge of 39,390,826 shares of Reliance Defence and Engineering Ltd (formerly Pipavav Defence Offshore & Eng. Co. Ltd) held by Company and 3,12,11,384 shares of Company held by promoter and further secured by extension of mortgage of immovable properties held by other body corporates along with corporate guarantee given by the same companies.
- vii) Inter Corporate Deposit of Rs. 251.56 Lacs is secured by way of pledge 10,322,863 shares of Company held by promoters of Company.
- viii) Inter Corporate Deposit of Rs.100.20 Lacs are secured by way of equitable mortgage of land owned by other Body Corporate.
- ix) Inter Corporate deposit of Rs 22,800.00 Lacs is secured by first pari Passu charge on immovable property of the subsidiary company and further secured by hypothecation of Plant & Machinery and Equipment upto 50%
- x) Term Loan from bank of Rs 3,224.23 Lacs is Secured by commercial mortgage, assignments of all receivables, all insurance on the project, assignment of advance payment guarantees and performance bonds from the construction contractors undertaking from Sohar Free Zone LLC
- xi) During the year the Company has partly redeemed 275 No's NCD by Rs. 65.50 Lacs /- per NCD resulting in reduction of Face Value from Rs. 10,000,000 to Rs. 345,000,000 per NCD. The said NCD is redeemable after 48 Months from the date of issue of the debenture, i.e. 22.01.2015. Above 275 Nos of 14% Secured Non convertable Debentures (NCD's) has been secured by way of:
- First charge on immovable property of other entity.
  - Pledge of 11,777,881 Nos of shares of company held by promotor of the Comapany
  - Pledge of 385,629 Nos Of Shares of Montana Infrasturcture Ltd by Other Entity
  - Pledge of 1950 Units of Urban Infrastructure Opportunity Fund Held by the Company
  - Irrevocable and unconditional Personal Guarantee by two directors of the company.
- 4.2** Term Loans from a Bank, a Financial Institution and Inter Corporate Deposits referred to above and Rs. 18,431.75 Lacs included in current maturities of long term debts in Note No. 10 are guaranteed by one of the Directors of the company in his personal capacity, carry interest rates ranging from 13.00% to 17.50%. and are to be repaid as under :

Year	Amounts In Lacs	Secured loan of Sohar Free Zone LLC(JV)	
2016-17	17,894.75	Within 1 Year	537.00
2017-18	8,884.03	2-5 years	2,386.48
2018-19	8,299.47	After 5 Years	300.75
2019-20	21,464.87		
2020-21	58,662.27		
2021-22	6,642.27		
2022-23	7,666.09		
2023-24	5,211.50		

- 4.3** Vehicles Loans referred to above and Rs.14.96 Lacs included in current maturities of long term debts in Note No.9 are secured by way of the hypothecation of the specific vehicles financed. The loans are repayable in 36 to 60 monthly installments (Including interest) as per repayment schedule.
- 4.4** The company has issued 175 Nos. 3% Redeemable Non Convertible Bonds of Rs. 10,000,000 each during the year 2011-12 and 829 Nos. 0% Redeemable Non Convertible Bonds of Rs. 10,000,000 each during the year 2012-13 for the period of 5 Year from the date of allotment.
- 4.5** As on March 31 2016, the company has overdue of Rs. 9,226.35 Lacs and Rs 12,350.58 Lacs towards principal and interest amount respectively.

**Particulars**

**As At**                      As At  
**March 31, 2016**      March 31, 2015

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

**NOTE - 5****DEFERRED TAX LIABILITY / (ASSETS)**

As required by Accounting Standard 22 on "Accounting for Taxes on Income" Deferred Tax comprises of the following items:

Deferred Tax Liabilities

- Related to Fixed Assets

Deferred Tax Assets

116.03 110.82

- -

**116.03** **110.82**

**NOTE - 6****OTHER LONG TERM LIABILITIES**

Redemption Premium Payable on Redeemable Non Convertible Bonds

27,486.29 18,975.29

Other Payables

1,034.68 -

**28,520.97** **18,975.29**

**NOTE - 7****LONG-TERM PROVISIONS**

Provision for Gratuity

21.27 21.94

**21.27** **21.94**

As At March 31, 2016

As At March 31, 2015

**NOTE - 8****SHORT-TERM BORROWINGS****SECURED**

-From Bank

5,194.00

2,500.00

**Term Loan:**

-From Financial Institution

-

10,300.00

-Inter Corporate Deposits

20,229.00

24,112.25

25,423.00

36,912.25

**UNSECURED**

Inter Corporate Deposits

- Related Parties (Refer Note No.32)

390.00

410.00

- Others

3,900.00

600.00

4,290.00

1,010.00

**29,713.00**

**37,922.25**

**8.1** Rs.5,000.00 Lacs from a Bank is secured by way of pledge of 2,500,000 shares of the Company held by promoter and further secured by mortgage of land owned by a subsidiary and other Body Corporates and certain unquoted investment of the Company.

**8.2** Rs.194.00 Lacs from a Bank is secured against fixed deposit with the Bank

**8.3** Inter Corporate Deposit of Rs. 229.00 Lacs are secured by extension of charge on Pledge of 1,728,919 shares of Reliance Defence and Engineering Ltd and 3,522,169 shares of company and further secured by way of equitable mortgage of land owned by other Body Corporate.

**8.4** Inter Corporate Deposit of Rs. 20,000.00 lacs is secured by way of hypothecation of Book debts and other movable properties of the company.

**8.5** As on March 31st 2016, the company has overdue of Rs. 25,229.00 Lacs and Rs. 2,987.28 Lacs towards principal and interest amount respectively.

**Particulars**

As At March 31, 2016

As At March 31, 2015

**NOTE - 9****TRADE PAYABLES**

Due to Micro, Small and Medium Enterprises

-

-

Due to Others

2,249.89

15,303.71

2,249.89

15,303.71

**2,249.89**

**15,303.71**

**9.1** The details of amounts outstanding to Micro, Small and Medium Enterprises under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), based on the available information with the Company are as under:

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2016	March 31, 2015
(i)	Principal amount remaining unpaid	Nil	Nil
(ii)	Interest due thereon	Nil	Nil
(iii)	Interest paid by the Company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006	Nil	Nil
(iv)	Interest due and payable for the year of delay in payment	Nil	Nil
(v)	Interest accrued and remaining unpaid	Nil	Nil
(vi)	Interest remaining due and payable even in succeeding years	Nil	Nil

**NOTE - 10**

**OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debts	18,446.70	48,634.91
Advance Received	31,432.96	28,893.30
Interest Accrued & Due on loans	15,236.25	7,808.37
Interest Accrued but not due on loans	2,695.41	408.51
Other Payables		-
-Statutory Dues	3,889.57	4,202.63
-Others	13,601.35	10,914.63
	17,490.92	15,117.25
Unpaid Dividend	2.87	2.87
<b>Total</b>	<b>85,305.11</b>	<b>100,865.22</b>

**NOTE - 11**

**SHORT-TERM PROVISIONS**

Provision for Gratuity	57.81	54.02
Provision for Wealth Tax	3.60	3.60
<b>Total</b>	<b>61.41</b>	<b>57.62</b>

**NOTE - 12**

**FIXED ASSETS**

PARTICULARS	GROSS BLOCK					DEPRECIATION / AMORTISATION					Transfer to Retained Earnings	NET BLOCK	
	As at 01.04.2015	Additions	Deductions / Adjustments #	Foreign Exchange Adj	As at 31.03.2016	Up To 01.04.2015	For The Period	Deductions / Adjustments	Foreign Exchange Adj	Up To 31.03.2016		As at 31.03.2016	As at 01.04.2015
<b>Tangible Assets</b>													
Leasehold Land	534.29	-	534.29	-	-	32.38	-	32.38	-	-	-	-	501.91
Freehold Land	40,988.10	9.13	-	-	40,997.23	-	-	-	-	-	-	40,997.2	40,988.10
Building	3,540.73	-	-	166.37	3,707.10	268.79	260.01	-	18.60	547.40	-	3,159.71	3,271.94
Furniture & Fixtures	118.92	-	0.72	0.09	118.29	87.79	15.19	-	0.08	103.07	-	15.22	31.12
Office Equipments	202.01	4.33	1.86	0.18	204.66	179.06	16.21	(0.01)	0.14	195.42	-	9.24	22.95
Vehicles	1,456.26	91.81	110.22	-	1,437.85	1,204.35	105.34	81.76	-	1,227.93	-	209.92	251.91
<b>Total</b>	<b>46,840.32</b>	<b>105.27</b>	<b>647.09</b>	<b>166.64</b>	<b>46,465.14</b>	<b>1,772.37</b>	<b>396.75</b>	<b>114.13</b>	<b>18.82</b>	<b>2,073.82</b>	<b>-</b>	<b>44,391.32</b>	<b>45,067.94</b>
<b>Intangible Assets</b>													
Computer Softwares*	7.38	-	-	-	7.38	5.32	0.69	-	-	6.01	-	1.38	2.07
Software	17.59	-	-	0.83	18.42	7.11	3.60	-	0.42	11.13	-	7.29	10.48
<b>Total</b>	<b>24.97</b>	<b>-</b>	<b>-</b>	<b>0.83</b>	<b>25.80</b>	<b>12.43</b>	<b>4.29</b>	<b>-</b>	<b>0.42</b>	<b>17.13</b>	<b>-</b>	<b>8.67</b>	<b>12.55</b>
<b>Grand Total</b>	<b>46,865.29</b>	<b>105.27</b>	<b>647.09</b>	<b>167.47</b>	<b>46,490.94</b>	<b>1,784.80</b>	<b>401.04</b>	<b>114.13</b>	<b>19.24</b>	<b>2,090.95</b>	<b>-</b>	<b>44,399.99</b>	<b>45,080.49</b>
<b>Previous Year</b>	<b>46,615.58</b>	<b>113.62</b>	<b>166.09</b>	<b>74.95</b>	<b>46,970.26</b>	<b>1,428.58</b>	<b>426.92</b>	<b>75.32</b>	<b>4.62</b>	<b>1,784.80</b>	<b>104.97</b>	<b>45,080.49</b>	<b>45,187.00</b>

\* Other than internally generated

# Deduction/ Adjustments

- During the Previous year, the Company has changed Method of Depreciation from Written Down Value (WDV) Method to Straight Line Method (SLM). As a result of which, there was a Gain on Revaluation of Fixed Assets of Rs. 279.58 lacs which was

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

added to the Gross Block and had been credited to Profit & Loss Account.

2. During the year, fixed assets costing Rs.640.06 lacs were sold which are deducted from the Gross Block.
3. Residual value in fixed assets whose useful life had become NIL and residual value in the fixed assets of assets sold during the year totalling to Rs.7.03 lacs were written off which are deducted from the Gross Block.
4. Out of total depreciation of Rs. 401.04 Lacs an amount of Rs. 18.66 Lacs is transferred to Capital Work in Progress, an amount of Rs. 3.60 Lacs is on account of amortization of intangible assets which is under the head Administrative expenses and balance of Rs.378.78 Lacs has been charged to Profit & Loss Account.

Particulars	Number of shares		As At	
	March 31,2016	March 31,2015	March 31, 2016	March 31, 2015
(₹ in Lacs)				
<b>NOTE - 13</b>				
<b>NON CURRENT INVESTMENTS</b>				
<b>Long Term Investment ( Trade )</b>				
<b>In Equity Shares of Associate Companies</b>				
<b>Unquoted Fully Paid up</b>				
Urban Infrastructure Holdings Private Limited of ₹ 10/- each	124,156,500	124,156,500	106,364.67	106,364.67
Rosoboronservice (India) Limited of ₹ 100/- each	13,500	-	80.90	
<b>Total (A)</b>			<b>106,445.57</b>	106,364.67
<b>Quoted Fully Paid up</b>				
Reliance Defence and Engineering Limited of ₹ 10/- each (Earlier known as Pipavav Defence and Offshore Engineering Co.Ltd.)	193,877,042	288,751,334	158,227.75	247,237.07
<b>Total (B)</b>			<b>158,227.75</b>	247,237.07
<b>In Equity Shares of Other Companies- Quoted Fully Paid Up</b>				
Everonn Education Ltd. of ₹ 10/- each	3,306,591	3,356,591	10,584.38	10,744.43
<b>Total (C)</b>			<b>10,584.38</b>	10,744.43
<b>In Equity Shares of Other Companies</b>				
<b>Unquoted Fully Paid Up</b>				
Mumbai SEZ Limited of ₹10 each	146,408,090	146,408,090	42,627.11	42,627.11
Donyi Polo Petrochemicals Limited of ₹ 10 each	2,625,500	2,625,500	227.48	227.48
SKIL Knowledge Cities Pvt. Ltd. of ₹ 10 each	5,000	5,000	-	0.50
Karanja Terminal & Logistics Pvt. Ltd. of ₹10 each	24,500	24,500	2.45	2.45
Shriram New Horizons Ltd. of ₹ 10 each ( Formerly known as New Horizons India Ltd.)	5,000,000	5,000,000	4,500.00	4,500.00
<b>Total (D)</b>			<b>47,357.04</b>	47,357.54
<b>Unquoted Fully Paid Up - Others</b>				
Fastlane Distriparks & Logistics Limited's Trust	5,934,328	5,934,328	3,857.31	3,857.31
Horizon Country Wide Logistics Limited's Trust	9,308,160	9,308,160	6,329.55	6,329.55
<b>Total (E)</b>			<b>10,186.86</b>	10,186.86
<b>Total (A+B+C+D+E)</b>			<b>332,801.60</b>	421,890.58

## 13.1 Details of shares pledged :

- (a) Investment in Everonn Education Limited includes 3306,591 (Previous Year 3,356,591) shares pledged with the lenders of subsidiaries of an associate of the company.
- (b) Investment in Reliance Defence and Engineering Ltd. includes
  - 122,750,501 (Previous Year 121,650,500) shares pledged with the lenders of an associate of the Company,
  - 39,390,826 shares pledged with lenders of the Company (Previous year 101,440,911 shares pledged with lenders of the company and 28,942,196 shares pledged with the NCD Holders of the company)
  - 31,730,715 (Previous Year 35,612,726) share pledged with lenders of a subsidiaries of an associate Company.
- (c) Certain Investment in Unquoted Equity shares of Associates & other companies are under pledge / negative lien with the lenders.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

**13.2** Refer Note No.1.5 for the basis of valuation.

**13.3** Aggregate Value of: -

<b>Particulars</b>	<b>March 31,2016</b>	<b>March 31,2015</b>
Quoted Investments		
Book Value	168,812.13	257,981.50
Market Value	132,409.03	166,018.61
Unquoted Investments		
Book Value	163,989.48	163,909.07

<b>Particulars</b>	<b>As At March 31,2016</b>	<b>As At March 31,2015</b>
--------------------	--------------------------------	--------------------------------

**NOTE - 14**

**LONG-TERM LOANS AND ADVANCES**

Capital Advance	15,846.04	16,627.81
(Unsecured and Considered Good)		
Advance Given	973.24	-
Deposits		
-Others	1,533.28	1,694.73
Advance Tax (Net)	1,778.27	1,830.34
<b>Total</b>	<b>20,130.84</b>	<b>20,152.88</b>

**NOTE - 15**

**OTHER NON CURRENT ASSETS**

Preliminary Expenses	16.00	25.00
Advance Given	2,265.00	2,265.00
	<b>2,281.00</b>	<b>2,290.00</b>

<b>Number of Shares</b>	<b>As At</b>	<b>As At</b>
<b>March 31,2016</b>	<b>March 31,2015</b>	<b>March 31,2015</b>

**NOTE - 16**

**CURRENT INVESTMENTS**

**In Equity Shares**

**Quoted Fully Paid up**

Batliloi Ltd. of Rs. 5/- each	41,000	41,000	9.64	9.64
B F Utility Ltd. of Rs. 5/- each	200	200	1.57	1.57
Gajra Bevel Gears Ltd. of Rs. 10/- each	19,000	19,000	0.66	0.66
Gujarat Narmada Vally Fertiliser Co. Ltd. of Rs. 10/- each	1,000	1,000	0.96	0.96
Gulf Oil Corporation of Rs. 2/- each	3,525	3,525	2.83	2.83
Gulf Oil Lubricants of Rs. 2/- each	3,525	3,525	2.83	2.83
Ramco Systems Ltd. of Rs. 10/- each	7,000	7,000	7.71	7.71
Reliance Industrial Infrastructure Ltd. of Rs. 10/- each	5,200	5,200	32.79	32.79
Reliance Power Ltd. of Rs.10/- each	10,125	10,125	13.13	13.13
Sahara Hsg. Finance Ltd. of Rs.10/- each	500	500	0.43	0.43
BAG Films & Media Ltd. of Rs. 2/- each	9,900	9,900	0.72	0.72
Reliance Industries Ltd. of Rs. 10/- each	542	542	5.68	5.68
Bank of Baroda of Rs. 2/- each	25,980	25,980	50.05	50.05
Gitanjali Gems Ltd. of Rs. 10/- each	5,311	5,311	13.18	13.18
DSK Developers Ltd. of Rs. 10/- each	724	724	0.39	0.39
INOX Leisure Ltd. of Rs. 10/- each	217	217	0.10	0.10
Varun Industries Ltd. of Rs. 10/- each	1,105	1,105	2.03	2.03
Rural Electrification Corporation Ltd. of Rs. 10/- each	276	276	0.70	0.70
B F Investments Ltd of Rs. 5/- each	200	200	3.30	3.30

**In Units**

**Quoted Fully Paid up**

Investment in HDFC Cash Mgmt. Fund - Treasury	47,927	47,927	4.81	4.81
Adavantage Plan -				
Wholesale -Daily Dividend of Rs. 10/- each				
Investment in HDFC Cash Mgmt. Fund - Treasury	10,795	7,807	1.08	0.78
Adavantage Plan -				



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

	Number of Shares March 31,2016	March 31,2015	As At March 31,2016	As At March 31,2015
Retail -Daily Dividend of Rs. 10/- each				
<b>Unquoted Fully Paid up</b>				
Urban Infrastructure Opportunities Fund of Rs. 79930/-				
(Previous Year Rs.87060/-) each	2,750	2,750	3,287	3,483
<b>Total</b>			<b>3,441.95</b>	<b>3,637.72</b>

16.1 Details of shares pledged :

(a) Investment in Urban Infrastructure Opportunities Fund includes 1950 (Previous Year 1950) units pledged with a lender of subsidiary of company.

16.1 Refer Note No.1C for basis of valuation.

16.2 Aggregate Value of: -

Particulars	As At March 31,2016	As At March 31,2015
Quoted Investments		
Book Value	154.57	154.27
Market Value	164.99	162.35
Unquoted Investments		
Book Value	3,287.38	3,483.45

**Particulars****As At March 31,2016****As At March 31,2015****NOTE - 17****TRADE RECEIVABLES**

(Unsecured &amp; Considered Good)

Outstanding for more than Six months

Others

6,321.54  
353.0319,828.77  
665.00**Total****6,674.57**  
**6,674.57****20,493.77**  
**20,493.77****NOTE - 18****CASH AND CASH EQUIVALENTS**

Balance with Banks in current account

2,544.83

1,676.70

Balance with Banks in deposit account

359.26

246.25

Balance with Banks in dividend account

2.87

2.87

Cash on hand

138.99

216.39

**Total****3,045.95**  
**3,045.95****2,142.21**  
**2,142.21****NOTE - 19****SHORT-TERM LOANS & ADVANCES**

(Unsecured, Considered Good unless otherwise stated)

Other advances recoverable in cash or kind or for value to be received:

-Related Parties

2,265.57

1,949.39

-Directors and Other Relatives

50.72

35.90

-Others

Considered Good

99,495.39

69,704.79

Considered Doubtful

31.50

31.50

101,843.18

71,721.58

Less : Provision for Doubtful Debts

31.50

31.50

101,811.68

71,690.08

Deposits:

-Related Parties

-

-

-Others

13.96

59.06

**Total****13.96**  
**101,825.64****59.06**  
**71,749.14****NOTE - 20****OTHER CURRENT ASSETS**

Other Receivables

479.73

22.72

**Total****479.73****22.72**

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

<b>Particulars</b>	<b>For the year ended March 31, 2016</b>	<b>For the year ended March 31, 2015</b>
<b>NOTE - 21</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Other Operating Revenue</b>		
Income from Operations	1,873.69	1,312.42
Other Operating Revenue	0.03	6,970.37
<b>Total</b>	<b>1,873.72</b>	<b>8,282.79</b>
<b>NOTE - 22</b>		
<b>OTHER INCOME</b>		
Dividend Income from other than Subsidiary on		
-Current investments	25.85	103.45
Gain on Revaluation of fixed Assets as per change in Accounting policy	-	279.58
Profit on Sale of Fixed Assets (Net)	-	1.75
Interest Income	2,350.04	85.51
Gain on foreign exchange difference	121.05	
Sundry Balances Written back (Net)	1.19	-
Miscellaneous Income	24.17	7.73
<b>Total</b>	<b>2,522.30</b>	<b>478.02</b>
<b>NOTE - 23</b>		
<b>COST OF OPERATIONS</b>		
Operational Expenses	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>NOTE - 24</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	1,071.23	1,079.94
Gratuity Expenses	9.03	11.42
Contribution to Provident fund and Other Fund	1.86	1.40
Staff Welfare	1.50	2.28
<b>Total</b>	<b>1,083.62</b>	<b>1,095.03</b>

**24.1 Employee Benefits:**

As per Accounting Standard 15 "Employee Benefits" the disclosure of employee benefits as defined in the accounting standards are given below:

**Defined Contribution Plan**

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Employers Contribution to Provident Fund	0.95	0.89
Employers Contribution to Pension Fund	0.73	0.52
	<b>1.68</b>	<b>1.41</b>

**Defined Benefit Plan (Unfunded)**

The Employees Gratuity Fund Scheme of the Company is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation.

<b>Particulars</b>	<b>2015-16</b>	<b>2014-15</b>
Defined Benefit Obligation at beginning of the year	73.63	62.82
Current & Past Service Cost	1.51	1.76
Current Interest Cost	3.87	4.25
Past Service Cost (Non -vested Benefits)	-	-
Actuarial (Gain) / Loss	(1.09)	5.41
Liabilities assumed on Acquisition (settled on Divestiture)	1.13	
Benefits paid	(3.88)	(0.60)
Defined Benefit Obligation at the end of the year	75.18	73.63

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

b) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets

Particulars	2015-16	2014-15
Fair Value of Plan Assets at the end of the year	-	-
Defined Benefit Obligation at end of year	75.18	73.63
Liabilities recognized in the Balance Sheet	75.18	73.63

c) Expenses recognized during the year

Particulars	2015-16	2014-15
Current & Past Service Cost	1.51	1.76
Interest Cost	3.87	4.25
Past Service Cost (Non -vested Benefits)	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	(1.09)	5.41
Net Cost Recognised in Profit and Loss Account	4.29	11.42

d) Assumptions used to determine the defined benefit obligations

Particulars	2015-16	2014-15
Mortality Table (LIC)	LIC (1994-96)Ultimate	
Discount Rate (p.a.)	8.05%	8.05%
Estimated Rate of Return on Plan Asset	0.00%	0.00%
Expected Rate of increase in Salary (p.a.)	7.00%	7.00%

The estimates of rate of increase in salary considered in actuarial valuation, taking into account, inflation, seniority, promotion, attrition and other relevant factors including supply and demand in the employment market. The above information is certified by Actuary.

Particulars

For the year ended  
March 31, 2016

For the year ended  
March 31, 2015

NOTE - 25

FINANCE COST

Interest Expenses	21,019.81	21,690.70
Redemption Premium on NCD	2,555.41	-
Other Borrowing Costs	13.66	14.04
<b>Total</b>	<b>23,588.88</b>	<b>21,704.74</b>

NOTE - 26

OTHER EXPENSES

Advertisement & Business Promotion Expenses	12.97	18.86
Bank Charges & Commission	2.23	6.49
Rent	78.80	119.72
Rates and Taxes	26.53	32.09
Printing and Stationery	9.90	8.03
Postage & Courier	19.60	23.36
Repair and Maintenance - Other	16.80	15.91
Manpower & Security Charges	17.04	19.77
Communication Expenses	0.47	0.09
Travelling, Conveyance & Vehicle Expenses	74.61	57.71
Wealth Tax	-	1.56
Legal and Professional Charges	127.50	161.14
Loss on Sale of Fixed assets	1.76	0.48
Administrative & Office Expenses	1,130.36	578.77
Other Miscellaneous Expenses	1.24	0.02
Payment to Auditors (Refer Note No.26.1)	35.50	27.89
Prior Period Expenses	56.02	23.54
Loss on Sale of Investment	729.69	7,106.78
Sundry Balance Written off (Net)	0.11	0.11
Preliminary,Pre-Operative & Share issue expenses written off	9.00	9.00

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Sitting Fees to Directors	11.10	8.49
Insurance Charges	2.07	2.04
Interest on Stamp duty	-	150.00
Interest on TDS	392.38	421.93
<b>Total</b>	<b>2,755.68</b>	<b>8,793.78</b>

**26.1 Payment To Auditors (Including Service Tax)**

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Audit Fees	24.84	21.91
Tax Audit Fees	2.50	2.50
Internal Financial Control	2.85	-
Certification Matters	1.00	-
Other matters	-	0.41
Service Tax	4.31	3.07
<b>Total</b>	<b>35.50</b>	<b>27.89</b>

**NOTE - 27**

List of Companies considered in the Consolidated Financial Statement are as follows :

Sr. No.	Name of the Companies	Country of Incorporation	Proportion of Ownership Interest	Relationship
1	SKIL Himachal Infrastructure & Tourism Limited	India	100.00%	Subsidiary
2	SKIL Shipyard Holdings Private Limited	India	100.00%	Subsidiary
3	SKIL Karnataka SEZ Limited	India	100.00%	Subsidiary
4	SKIL Singapore Pte Limited of Singapore	Singapore	100.00%	Subsidiary
5	Pipavav Electronic Warfare Systems Private Limited (Formerly known as SKIL Strategic Deterrence Systems Pvt. Ltd.)	India	100.00%	Subsidiary
6	Energy India Corporation Limited	India	100.00%	Subsidiary
7	SKIL Advanced Systems Private Limited	India	100.00%	Subsidiary
8	Chiplun FTWZ Pvt. Ltd.	India	52.00%	Subsidiary
9	Metrotech Technology Park Pvt. Ltd.	India	100.00%	Subsidiary
10	Jansampada Engineering Compnay Pvt. Ltd. (Formerly known as Jansampada Infraprojects Pvt. Ltd.)	India	100.00%	Subsidiary
11	Navi Mumbai SMART CITY Infrastructure Ltd.(Formerly Known as Mahakleshwar Knowledge Infrastructure Pvt. Ltd.)	India	84.96%	Subsidiary
12	Gujarat Dwarka Port West Limited(Formerly Known as Gujarat Positra Port Company Limited )	India	73.60%	Subsidiary
13	Pipavav Aero Infrastructure Pvt. Ltd	India	100.00%	Step-Down Subsidiary
14	SKIL Midivisana Engineering Pvt Ltd.	India	100.00%	Step-Down Subsidiary
15	SKIL Vision Aerial Solutions Pvt.Ltd.	India	100.00%	Step-Down Subsidiary
16	Reliance Defence & Engineering Ltd (formerly known as Pipavav Defence Offshore & Eng. Co. Ltd)	India	26.33%	Associate
17	Rosoboronservice (India) Limited	India	20.00%	Associate
18	Sohar Free Zone LLC	Sultanate of Oman	33.33%	Joint Venture

Urban Infrastructure Holding Private Limited is an Associate of the Company, whose Profit / (loss) is not included in this Consolidated Financial Statements due to unavailability of financials of that Company.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

## NOTE - 28

## EARNINGS PER SHARE (EPS) - BASIC AND DILUTED

Particulars	2015-16	2014-15
Net Profit / (Loss) after Tax	(48,303.43)	(37,707.01)
Amount available for calculation of Basic & Diluted EPS	(48,303.43)	(37,707.01)
Weighted Average No. of Equity Shares outstanding for Basic & Diluted EPS (Nos.)	216,571,232	216,571,232
Basic & Diluted Earnings per share of Rs. 10/- each	(22.30)	(17.41)

## NOTE - 29

## CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	2015-16	2014-15
<b>a. Contingent Liabilities (To the extent not provided for):</b>		
<b>(No Cash Out Flow is expected)</b>		
(i) Corporate guarantees given to Bank/Financial Institutions for borrowings taken by -Others	1,297,828.25	1,288,000.00
(ii) Income Tax Demands not acknowledged as debts	2,195.30	2,468.70
(iii) Suit filed against the Company not acknowledged as debt	41.49	41.49

**b. Capital Commitments:**

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances) as at March 31, 2016 is Rs. Nil (Previous year Rs. 855.73 Lacs). (Cash flow is expected on execution of such Capital Contracts on Progressive basis).

## NOTE - 30

The Scheme of Amalgamation and Arrangement between the Three Transferor Companies namely 1) SKIL Infrastructure Limited (SKIL), 2) Horizon Countrywide Logistics Limited (HCWLL), 3) Fastlane Distripark and Logistics Limited (FDLL) and Transferee Company namely Horizon Infrastructure Limited had been approved by Hon'ble Bombay High Court u/s 391 to 394 read with sections 78, 100 to 104 of the Companies Act, 1956 on September 20, 2013 and upon necessary filing with the Registrar of Companies on September 28, 2013, the scheme became effective, consequently the merger of Transferor Companies into Transferee Company becomes effective from the appointed date of April 1, 2011 and hence this merged statement of accounts had been prepared for financial year 2012-2013 and onwards. Pursuant to the Scheme, the Registrar of Companies Mumbai, Maharashtra has sanctioned the change of the name of the Company from "Horizon Infrastructure Limited" to "SKIL Infrastructure Limited" vide fresh Certificate of Incorporation dated January 22, 2014.

## NOTE - 31

## EXCEPTIONAL ITEMS

Exceptional Item for the year ended March 31, 2016 includes net loss of Rs.10,935.10 Lakhs on sale of Company's part stake in Reliance Defence and Engineering Limited, associate of the company to Reliance ADAG as per purchase agreement dated March 4, 2015.

## NOTE - 32

## RELATED PARTY DISCLOSURES

As per Accounting Standard 18, the disclosures of transactions with related parties as defined in the Accounting Standard are given below:

**a. List of related parties where control exists and related parties with whom transaction have taken place and relationships:**

Name of the related Party	Relationship
Reliance Defence and Engineering Limited	Associates
Rosoboronservice (India) Limited	
Urban Infrastructure Holding Private Limited	
Sohar Free Zone LLC	Joint Venture
Mr. Nikhil P. Gandhi	Key Management Personnel (KMP)
Mr. Bhavesh P. Gandhi	
Mr. Ajay Khera	
Mr. Sudipan Bhaduri	
Mr. Nilesh Mehta	

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

Name of the related Party	Relationship
Pipavav Marine Offshore Limited	Enterprises over which Key Management Personnel are able to exercise significant influence.
Reliance Defence and Engineering Limited	
Matushree Nirmalaben Gandhi Charitable Foundation	
Grevek Investments and Finance Pvt.Ltd.	
Awaita Properties Pvt. Ltd.	
Rhett Infraprojects Pvt.Ltd.	
Nikhil P. Gandhi HUF	
Bhavesh P. Gandhi HUF	
Metropolitan Industries	
E-Complex Pvt. Ltd.	

**b. Transaction with Related Parties**

Nature of Transaction	Associates / Joint Venture	KMP	Enterprises over which KMP has significant influence	Total
<b>Investments</b>				
Investment - purchased during the year	81.00	-	-	81.00
Investment - sold during the year	75,087.53	-	-	75,087.53
Balance as at 31st Mar, 2016	264,673.32	-	-	264,673.32
<b>Loans &amp; Advances</b>				
Advances Given	3,327.59	15.21	755.74	4,098.53
Advances Received Back	605.17	-	1,052.52	1,657.69
Advances as at 31st Mar, 2016	18,894.42	50.72	12,317.39	31,262.52
<b>Current Liabilities</b>				
Advances received	31.93	-	13,863.15	13,895.08
Advances repaid back	-	-	1,303.30	1,303.30
Balance as at 31st Mar, 2016	31.93	-	31,123.84	31,155.77
<b>Redeemable Non Convertible Bonds</b>				
Balance as at the end of the year	-	-	100,400.00	100,400.00
Redemption premium payable	-	-	27,486.29	27,486.29
Inter Corporate Deposit Received	-	-	7,500.00	7,500.00
Balance as at 31st Mar, 2016	-	-	11,890.00	11,890.00
Interest Expenses	-	-	525.00	525.00
Sale of Investments for Guarantees given to IFCI	-	-	68.69	68.69
Corporate Guarantee Given o/s as at end of the year	1,242,028.25	-	53,500.00	1,295,528.25
Managerial Remuneration	-	196.00	-	196.00
Interest Income	1,924.28	-	345.29	2,269.57

**c. Details of major transactions with related party**

		<b>2015-16</b>	<b>2014-15</b>
Investment - Purchased / Allotted during the year	Rosoboronservice (India) Limited	81.00	-
Investment - sold during the year	Reliance Defence and Engineering Limited	75,087.53	15,912.84
Investment at the end of the year	Reliance Defence and Engineering Limited	158,227.75	247,237.07
	Rosoboronservice (India) Limited	80.90	-
	Urban Infrastructure Holdings Pvt. Ltd.	106,364.67	106,364.67
Advances Received	Grevek Investments and Finance Pvt.Ltd.	6,559.29	29,397.50
	Awaita Properties Pvt.Ltd.	90.30	9.70
	E Complex Pvt. Ltd.	7,213.56	-
	Reliance Defence and Engineering Limited	31.93	-
Refund of Advance	Grevek Investments and Finance Pvt.Ltd.	712.35	45,287.95
	Awaita Properties Pvt.Ltd.	97.50	100.00
	E Complex Pvt. Ltd.	493.44	-
Advances at the end of the year	Grevek Investments and Finance Pvt.Ltd.	11,267.23	5,421.02
	Awaita Properties Pvt.Ltd.	151.50	158.70
	E Complex Pvt. Ltd.	19,705.11	12,985.00
	Reliance Defence and Engineering Limited	31.93	-



## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

(₹ in Lacs)

		2015-16	2014-15
Redeemable Non convertible Bonds at the end of the year	Grevek Investments and Finance Pvt.Ltd.	100,400.00	100,400.00
Redemption Premium Payable	Grevek Investments and Finance Pvt.Ltd.	27,486.29	18,975.29
Inter-Corporate Deposit received during the year	Grevek Investments and Finance Pvt.Ltd.	7,500.00	-
Inter-Corporate Deposit at the end of the year	Grevek Investments and Finance Pvt.Ltd.	11,500.00	4,000.00
	Rhett Infraprojects Pvt Ltd	390.00	390.00
Advances Given	Grevek Investments and Finance Pvt.Ltd.	237.15	235.21
	Reliance Defence and Engineering Limited	2,434.59	16,489.85
	Rosoboronservice (India) Limited	893.00	-
	Pipavav Marine Offshore Ltd.	198.51	35.58
	Awaita Properties Pvt.Ltd.	-	3,731.00
	E Complex Pvt. Ltd.	320.08	1,974.16
	Mr. Nilesh Mehta	-	2.70
	Mr. Sudipan Bhaduri	15.21	6.95
Advances received back	Reliance Defence and Engineering Limited	605.17	414.08
	Pipavav Marine Offshore Ltd.	750.00	-
	Awaita Properties Pvt. Ltd.	-	3,756.00
	E Complex Pvt. Ltd.	287.06	953.79
	Mr. Nilesh Mehta	-	-
	Grevek Investments and Finance Pvt.Ltd.	15.46	-
Advance Receivable at the end of the year	Pipavav Marine Offshore Ltd.	987.28	35.58
	Reliance Defence and Engineering Limited	18,001.42	16,089.83
	Rosoboronservice (India) Limited	893.00	-
	E Complex Pvt. Ltd.	1,070.65	1,037.62
	Mr. Nilesh Mehta	2.91	3.30
	Mr. Sudipan Bhaduri	47.81	32.60
	Grevek Investments and Finance Pvt.Ltd.	9,477.69	235.21
	Nikhil P. Gandhi HUF	390.89	390.89
	Bhavesh P. Gandhi HUF	390.88	390.88
Interest Income	Reliance Defence and Engineering Limited	1,924.28	19.73
	E Complex Pvt. Ltd.	134.24	0.62
	Pipavav Marine Offshore Limited	211.05	39.54
Interest Paid	Grevek Investments and Finance Pvt.Ltd.	525.00	525.00
Sale of Investments for Guarantees given to IFCI	Pipavav Marine Offshore Limited	68.69	1,503.19
Receivable at the end of the Year (Loans And Advances)	Pipavav Marine Offshore Limited	68.69	1,503.19
Corporate Guarantee Given o/s at the end of the year	Reliance Defence and Engineering Limited	1,242,028.25	1,236,700.00
	E Complex Pvt. Ltd.	27,000.00	25,000.00
	Pipavav Engineering and Defence Services Limited	18,000.00	11,000.00
	Grevek Investments and Finance Pvt.Ltd.	8,500.00	-
Managerial Remuneration	Mr. Ajay Khara	100.00	100.00
	Mr. Sudipan Bhaduri	60.00	60.00
	Mr. Nilesh Mehta	36.00	42.00

## NOTE - 33

## SEGMENT INFORMATION:-

The Company is mainly engaged in Infrastructure activity in India. All the Activities of the Company revolve around this main Business as such there are no separate reportable Segments as per Accounts Standard on Segment Reporting.

## NOTE - 34

## EXPENDITURE IN FOREIGN CURRENCY :

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Travelling Expenses	19.21	7.31
<b>Total</b>	<b>19.21</b>	<b>7.31</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ in Lacs)

**NOTE-35**

**Jointly Controlled Entity :**

Name	Country of Incorporation	Ownership interest	
		As at March 31, 2016	As at March 31, 2015
Sohar Free Zone LLC	Sultanate of Oman	33.33%	33.33%

Particulars	As at 31 <sup>st</sup> December, 2015	As at 31 <sup>st</sup> December, 2014
<b>Assets</b>		
- Long Term Assets	4,540.91	4,518.67
- Current Assets	1,317.78	1,258.65
<b>Liabilities</b>		
- Non Current Liabilities	2,807.15	3,175.11
- Current Liabilities & Provisions	2,332.24	1,856.18
<b>Income</b>	1,897.83	1,320.15
<b>Expenses</b>	1,958.24	1,482.11

**NOTE-36**

**LEASES**

The Company has entered into cancellable arrangements for taking on leave and license basis certain office premises, accomodation and guest house. The specified disclosure in respect of these agreements is given below:

	As at March 31, 2016	As at March 31, 2015
Lease payments recognised in statement of profit and loss account for the year	78.80	118.47
i) There is no Escalation clause in the lease agreement.		
ii) There is no restriction imposed by lease arrangements.		
iii) There are no subleases.		

**NOTE-37**

**CAPITAL WORK IN PROGRESS**

Opening Balance	56,025.71
Add : Addition During The Year	14,882.56
Less: Tranfer during the year	(0.46)
Closing Balance	<b>70,907.81</b>

**NOTE-38**

Previous year figures are regrouped, rearranged and reclassified wherever necessary

**AS PER OUR REPORT OF EVEN DATE**

**For BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 101249W

**BHARAT A. SHAH**  
(Proprietor)  
Membership No. 32281

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

**SUDIPAN BHADURI**  
Chief Financial Officer

**NILESH MEHTA**  
Company Secretary

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

**BHAVESH GANDHI**  
Director  
DIN: 00030623

**J. ALEXANDER**  
Director  
DIN: 00485766

## FORM AOC-I

Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statement of subsidiaries/associates/joint venture

## PART "A" : SUBSIDIARIES

## Summary of Financial information of Subsidiary Companies for the year ended March 31, 2016

(Rs.in lacs)

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital (paid up)	Reserve & Surplus	Total Assets	Total Liabilities	Details of Investment (Except in Subsidiary)	Turnover	Profit/(Loss) Before Tax	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	% Holding	Country
1	SKIL-Himachal Infrastructure & Tourism Limited	INR	5,000.00	(16.88)	6,080.09	6,080.09	-	-	(11.41)	-	(11.41)	-	100.00	India
2	SKIL Shipyard Holdings Private Limited	INR	5.00	(18,544.65)	20,136.11	20,136.11	-	-	(3,455.88)	-	(3,455.88)	-	100.00	India
3	SKIL (Singapore) Pte Limited	INR	50.25	(108.20)	14,946.64	14,946.64	-	-	(5.53)	-	(5.53)	-	100.00	Singapore
		SGD MN	0.16	(0.24)	30.43	30.43	-	-	(0.01)	-	(0.01)	-	-	
4	Pipavav Electronic Warfare Systems Pvt. Ltd.	INR	1.00	(1.04)	35.94	35.94	-	-	(0.36)	-	(0.36)	-	100.00	India
5	Energy India Corporation Limited	INR	401.43	(3.63)	449.01	449.01	-	-	(0.52)	-	(0.52)	-	100.00	India
6	SKIL Advanced Systems Private Limited	INR	5.00	(20.20)	464.32	464.32	-	-	(4.79)	-	(4.79)	-	100.00	India
7	Gujarat Dwarka Portwest Limited	INR	9,556.60	1,619.31	59,708.10	59,708.10	-	-	(14.22)	-	(14.22)	-	73.60	India
8	Metrotech Technology Park Private limited	INR	20.00	(7.20)	551.47	551.47	-	-	(0.55)	-	(0.55)	-	100.00	India
9	Navi Mumbai SMART CITY Infrastructure Ltd (Earlier Known as Mahakaleshwar Knowledge Infrastructure Pvt. Ltd.)	INR	294.58	(57.47)	55,711.09	55,711.09	-	-	(57.26)	-	(57.26)	-	84.96	India
10	Chiplun FTWZ Private limited	INR	9,000.00	(111.49)	12,022.29	12,022.29	-	-	(17.76)	-	(17.76)	-	52.00	India

Notes:

1 Exchange Rate As on 31st March 2016 1SGD=INR 49.1470

2 Name of the subsidiary yet to commence operation:

- Pipavav Electronic Warfare Systems Pvt. Ltd.

3 Pipavav Aero Infrastructure Private Limited (Step down Subsidiary) and SKIL Karnataka SEZ Limited (Subsidiary) have submitted an application to the Registrar of Companies on August 7, 2015 or striking-off the name under the Fast Track Exit (FTE) Mode pursuant to Section 560 of the Companies Act, 1956. Further, Jansampada Engineering Company Private Limited (Subsidiary) and SKIL Midivisana Engineering Company Private Limited (Step down Subsidiary) has received notice under Section 560(3) of the Companies Act, 1956 for strike off.

**PART “B” : ASSOCIATES AND JOINT VENTURES**  
**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

(Rs.in lacs)									
			Shares of Associates/Joint Ventures held by the company on the year end					Profit/ Loss for the year	
Sr No.	Name of Associates/Joint Venture	Latest Audited Balance sheet	No.	Amount of Investment in Associates/Joint Venture	Extent of Holding%	Description of how there is significant influence	Networth attributable to Shareholding as per latest audited Balance Sheet	Considered in Consolidation	Not considered in Consolidation
	Associates:								
1	Reliance Defence and Engineering Limited	March 31,2016	193,877,042.00	185,144.37	26.33%	Note A	44,619.08	-13919.35	-38945.65
2	Rosoboronservice (India) Ltd.#	March 31,2016	13500	81	20.00%	Note A	48.940968	-102.37	-409.50
	Joint Venture:								
3	Sohar Free Zone LLC	December 31,2015	755,245.00	899.40	33.33%	Note A	346.32	-60.40	-120.81

# Unaudited

Notes:

- 1 There is significant influence due to percentage(%) of Share Capital.
- 2 Urban Infrastructure Holding Private Limited is an Associate of the Company, whose Profit / (loss) is not included in this Consolidated Financial Statements due to unavailability of financials of that Company.
- 3 Shareholding in Reliance Defence and Engineering Limited , as disclosed above , includes 1 Share held by SKIL Shipyard Holdings Private Limited , wholly owned Subsidiary Company.

# SKIL INFRASTRUCTURE LIMITED

CIN: L36911MH1983PLC178299;

Registered Office: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023;

Tel: +91-22-6619000; Fax: +91-22-22696023; E-mail: contact@skilgroup.co.in; Website: www.skilgroup.co.in

33<sup>rd</sup> Annual General Meeting – Tuesday, September 27, 2016

## ATTENDANCE SLIP

Registered Folio No./ DP ID No./ Client ID No.	
Name and address of the Member(s)	
Number of Shares held	

I hereby record my presence at the 33<sup>rd</sup> Annual General Meeting of the Members of the Company held on Tuesday, September 27, 2016 at 1430 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001.

Signature

Note: Please fill attendance slip and hand it over at the entrance of the meeting hall.

## PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

# SKIL Infrastructure Limited

CIN: L36911MH1983PLC178299;

Registered Office: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023;

Tel: +91-22-6619000; Fax: +91-22-22696023; E-mail: contact@skilgroup.co.in; Website: www.skilgroup.co.in

33<sup>rd</sup> Annual General Meeting – Tuesday, September 27, 2016

Name of Member(s)	
Registered Address	
E-mail ID	
Folio No./Client ID	
DP ID	

I/We, being the Member (s) of .....shares of the above named company, hereby appoint

- Name : .....  
Address : .....  
E-mail ID : ..... Signature : ....., or falling him/her
- Name : .....  
Address : .....  
E-mail ID : ..... Signature : ....., or falling him/her
- Name : .....  
Address : .....  
E-mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 33<sup>rd</sup> Annual General Meeting of the Company, to be held on Tuesday, September 27, 2016 at 1430 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*		
		For	Against	Abstain
1.	Ordinary Resolution for adoption of Audited Standalone Financial Statements and Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Auditors and Directors thereon			
2.	Ordinary Resolution for re-appointment of Mr. Nikhil Gandhi, Director (DIN: 00030560), who retires by rotation and being eligible, offers himself for re-appointment			
3.	Ordinary Resolution under section 139 of the Companies Act, 2013, for ratification of appointment of Auditors and fixing their remuneration			

Signed this ..... day of ....., 2016

Signature of Shareholder : .....

Signature of Proxy holder(s) : .....

## Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

2. For the resolutions, explanatory statements and Notes please refer to the Notice of 33<sup>rd</sup> Annual General Meeting.

3. \* It is optional to put your preference in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' or 'Abstain' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he / she thinks appropriate.

Affix  
Revenue  
Stamp

If undelivered, please return to:

**Link Intime India Private Limited**  
(Unit- Skill Infrastructure Limited)  
C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (West),  
Mumbai - 400 078