

# **SKIL INFRASTRUCTURE LIMITED**

**34<sup>th</sup> ANNUAL REPORT**  
**2016-2017**

**34<sup>th</sup> ANNUAL GENERAL MEETING**

**DATE** : September 29, 2017  
**DAY** : Friday  
**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. J. Alexander	Independent Director
Ms. Gayathri Ramachandran	Independent Director
Mr. V. Ramanan	Independent Director
Mr. Udai Bhanu Singh*	Whole time Director

\*since May 10, 2017

**CHIEF EXECUTIVE OFFICER**

Mr. Ajay Khera\*  
\* till May 9, 2017

**CHIEF FINANCIAL OFFICER**

Mr. Shekhar Gandhi

**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  
Kotak Mahindra Bank  
HDFC Bank

**REGISTERED OFFICE**

SKIL House,  
209, Bank Street Cross Lane,  
Fort, Mumbai - 400 023  
Tel: +91-22-66199000  
Fax: +91-22-22696023  
CIN:L36911MH1983PLC178299  
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-101, 247 Park, L.B.S. Marg, Vikhroli (West)  
Mumbai, Maharashtra- 400 078.  
Tel: +91-22-4918 6000  
Fax: +91-22-4918 6060  
E-mail: [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)

**NOTICE**

**NOTICE** is hereby given that the 34<sup>th</sup> Annual General Meeting of the Members of SKIL Infrastructure Limited ('AGM') will be held on Friday, September 29, 2017 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:
  - a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Auditors and Directors thereon; and
  - b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Auditors thereon;
2. To appoint a Director in place of Mr. Bhavesh Gandhi (DIN 00030623), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Kailash Chand Jain & Co. (bearing Registration number 112318W) as the Statutory Auditors of the Company 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 Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act 2013 and the Rules framed thereunder, as amended from time to time and pursuant to the recommendation of the Audit Committee of the Board, M/s. Kailash Chand Jain & Co., Chartered Accountants (bearing Registration Number: 112318W) be and are hereby appointed as the Statutory Auditors of the Company, in place of the retiring Statutory Auditors M/s. Bharat Shah & Associates, Chartered Accountants, (bearing Registration Number: 101249W), who shall hold office from the conclusion of this 34<sup>th</sup> Annual General Meeting for a term of consecutive five years i.e. till the conclusion of 39<sup>th</sup> Annual General Meeting subject to ratification of their appointment by the members at every Annual General Meeting, as may be required under the applicable provisions of the Companies Act 2013 and on such remuneration as may be decided by the Board of Directors of the Company."

**SPECIAL BUSINESS:**

4. To appoint Mr. U. B. Singh as a Director of the Company 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 Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Mr. U. B. Singh (DIN: 05356933), who was appointed as an Director by the Board of Directors of the Company and who holds office as such up to the date of this Annual General Meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation"
5. To appoint Mr. U. B. Singh as the Managing Director & CEO of the Company and in this regard to consider, and if thought fit, to pass the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), the relevant provisions of the Articles of Association of the Company and all applicable guidelines issued by the Central Government from time to time and subject to the approval of Central Government and other approvals, as may be necessary, consent of the Members be and is hereby accorded to Mr. U. B. Singh (DIN: 05356933) as the Managing Director & CEO of the Company for the period and upon the terms and conditions attached to the annexure of notice including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. U. B. Singh in the best interests of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in the said regard."

**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  
E-mail: contact@skilgroup.co.in

**Place:** Mumbai

**Date:** August 30, 2017

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

**Nilesh Mehta**  
**Company Secretary**

**NOTES:**

**1. PROXIES**

- a. 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.
  - b. 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.
  - c. Every member shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the AGM and ending with conclusion of the AGM, to inspect at the Registered Office of the Company the proxies lodged, at any time between 0900 hours and 1800 hours, in terms of SS-2, provided not less than three days' notice in writing of the intention so to inspect is given to the Company.
2. 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.
  3. 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.
  4. Members/ Proxies/ Representatives are requested to bring their copies of the Annual Reports along with their duly filled in Attendance Slips attached herewith for attending the AGM.
  5. Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SS-2, particulars of the Director seeking re-appointment at the AGM are given in the Exhibit to Notice.
  6. The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 23, 2017 to Friday, September 29, 2017, 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-101, 247 Park, L.B.S. Marg, Vikhroli (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 in advance of the AGM so that the information required can be made readily available at the AGM.
  10. The Members are requested to approach the Company for consolidation of folios, if shareholdings are 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, free of cost, upon making a request for the same. For any such communication, the Members may also send requests to the Company's email id: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in).
  13. Copies of the Annual Report for FY 2016-17 including therein the Notice of the 34<sup>th</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., are being sent by the permitted mode. The Annual Report are 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, September 01, 2017. However, if such a person is not a Member on the cut-off date of Friday, September 22, 2017; 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 dividends amounts lying with the Company as on September 27, 2016 (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), SS-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 Tuesday, September 26, 2017 at 0900 hours and ends on Thursday, September 28, 2017 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 Friday September 22, 2017 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 / Members
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. 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 no. (EVSN i.e 170817036 ) for Skill 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 a demat account holder has forgotten the changed 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 and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - 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.
  - 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).
- (xx) 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, if the 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. Friday, September 22, 2017.

The Company has appointed Mr. Aashish Bhatt & Associates (Membership No. ACS 19639), Practicing Company Secretary, 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 by the Chairman or a person authorized by him in writing. 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

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

Name of the Director (DIN)	:	Mr. Bhavesh Gandhi (00030623)
Designation	:	Vice Chairman
Date of Birth	:	January, 21, 1966
Age	:	51 years
Nationality	:	Indian
Qualification	:	B. Com
Date of Appointment	:	January 5, 1995
Detailed Profile including Nature of Expertise and Experience	:	Mr. Bhavesh Gandhi has approximately 32 years of experience in various fields pertaining to infrastructure development projects. He is the co-founder of the company. He was adjudged for the "Shipping, Marine and Ports (SMP), 2012 - Young Entrepreneur" Award. His experience in various sectors aids in execution of each project that SKIL undertakes. His omnipresent interaction in all projects makes him a pillar that the entire group relies on.
Number of Board Meetings attended during the financial year 2016-17	:	4 Board Meetings
Remuneration	:	-
Directorships held in other companies as on March 31, 2017	:	Awaita Properties Private Limited
	:	Navi Mumbai SEZ Private Limited
	:	Reliance Defence and Engineering Limited
	:	Urban Infrastructure Holdings Private Limited
	:	Donyi Polo Petrochemicals Limited
	:	SKIL Shipyard Holdings Private Limited
	:	Nehal Hospitality & Health Care Private Limited
	:	Nayroh Lifestyle and Leisure Infrastructure 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, 2017	:	Donyi Polo Petrochemicals Limited - Member of Audit Committee
Number of shares held in the Company as on March 31, 2017	:	11,77,757
Inter-se relationship with other Directors and KMPs	:	Brother of Mr. Nikhil Gandhi

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

Name of the Director (DIN)	:	Mr. U. B. Singh (05356933)
Designation	:	Whole Time Director
Date of Birth	:	May 15, 1957
Age	:	60 years
Nationality	:	Indian
Qualification	:	M.A., L.L.B.
Date of Appointment	:	May 10, 2017
Detailed Profile including Nature of Expertise and Experience	:	Mr. U. B. Singh has done Masters in Arts (Political Science) and holds L.L.B. from Allahabad University. He has served as a Revenue officer in the various department (Customs, Central Excise & Service Tax), Ministry of Finance, Gov. of India. Also he has taken voluntary retirement as an IRS officer. Since then, he has been an advisor to various Infrastructure companies.

Number of Board Meetings attended during the financial year 2016-17	:	Not Applicable
Remuneration	:	-
Directorships held in other companies as on March 31, 2017	:	Rare Rich Prosper Private Limited
	:	Shreedham Gaushala & Agro Products Private Limited
	:	Emerging Oils And Fuels Private Limited
	:	Karanja Infrastructure Private Limited
	:	AWP Systems 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, 2017	:	-
Number of shares held in the Company as on March 31, 2017	:	-
Inter-se relationship with other Directors and KMPs	:	-

#### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:-**

##### **ITEM NO. 4**

Mr. U. B. Singh was appointed as an Additional Director by the Board of Directors with effect from May 9, 2017 and in terms of the provisions of the Act read with relevant provisions of the Companies Act, 2013, he holds office till the conclusion of this ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013 from Member along with a deposit of Rs. 1,00,000/- proposing the candidatures of Mr. U. B. Singh for the office of Director of the Company liable to retire by rotation.

Mr. U. B. Singh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. His brief resume and other particulars have been given in the exhibit to this Notice. In the opinion of the Board, Mr. U. B. Singh fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and the Board recommends the ordinary resolutions set out at item No. 4 of the Notice for the approval by the Members. Except Mr. U. B. Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4.

##### **ITEM NO. 5**

The Board of Directors of the Company at its meeting held on May 9, 2017 has appointed Mr. U.B. Singh as the Whole-Time Director for a period of two years commencing from May 10, 2017 subject to the necessary approval of members at ensuing AGM. Later on at the Board Meeting held on August 30, 2017, his designation has been changed from the Whole Time Director to Managing Director & Chief Executive Officer, at the remuneration recommended by the Compensation/Remuneration Committee subject to the approval of Central Government.

The material terms of appointment and remuneration as contained in the draft Agreement are given below:

##### **(a) Salary and Allowance:**

- (i) Basic Salary: Rs. 1,60,000/- per month
- (ii) Special Allowance : Rs. 2,40,000/- per month
- (iii) HRA: Rs. 50,000/- per month

##### **(b) Other Incentives / Perquisites: In addition to the remuneration as stated above, Mr. U. B. Singh shall be entitled, as per rules / policy of the Company, perquisites like:**

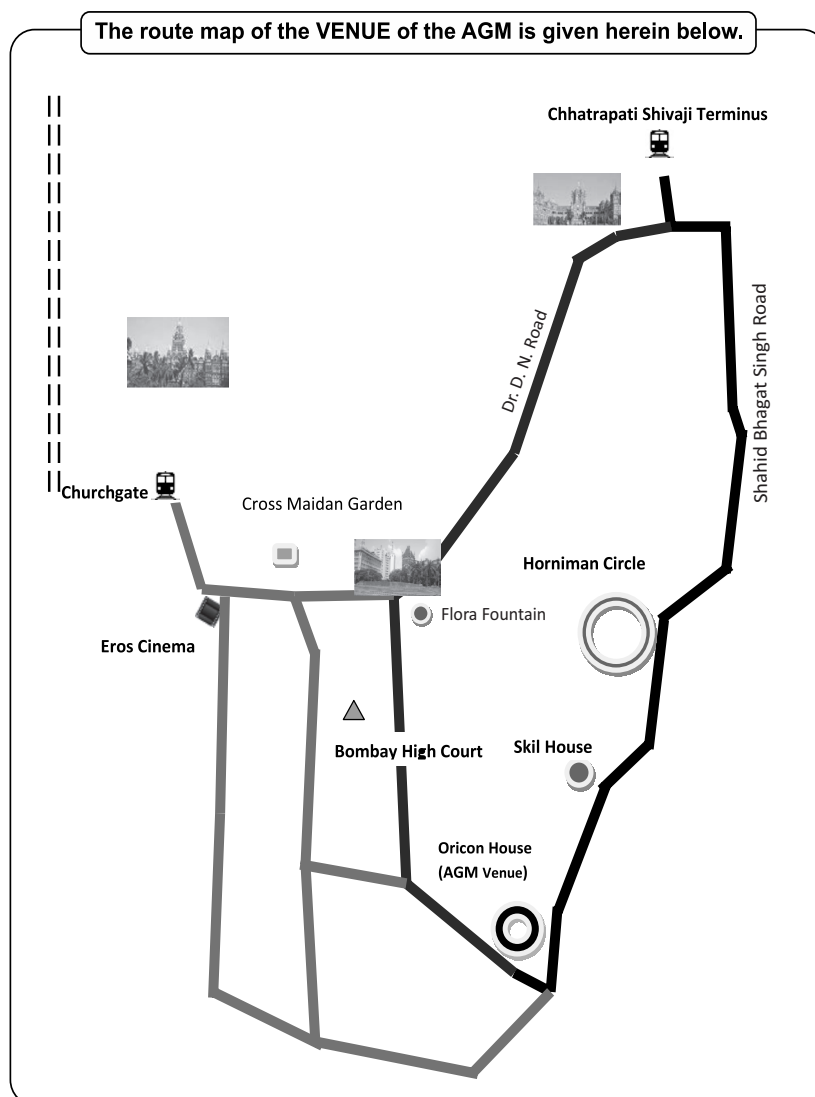
- (i) Use of Company maintained car with driver.
- (ii) Reimbursement of entertainment & business promotion expenses.
- (iii) Reimbursement of telephone expenses including mobile.
- (iv) Reimbursement of expenses incurred for traveling, boarding and lodging during business trips.



(c) Other terms:

Subject to the superintendence, control and direction of the Board of Directors, Mr. U. B. Singh shall manage and conduct the business and affairs of the Company. He shall not be paid any sitting fee for attending the meetings of the Board or Committee thereof. The appointment can be terminated by Mr. U. B. Singh or the Company, by one party giving to the other Sixty (60) days notice in writing.

In the opinion of the Board, Mr. U. B. Singh fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder and the Board recommends the special resolutions set out at item No. 5 of the Notice for the approval by the Members. Except Mr. U. B. Singh, being an appointee, none of the Directors and Key Managerial Personnel of the Company and/or their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 5.



## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the 34<sup>th</sup> Annual Report of SKIL Infrastructure Limited (hereinafter referred to as 'the Company' or 'SKIL') together with the Audited Financial Statements for the year ended March 31, 2017.

### Financial Highlights (Standalone)

The financial performance of the Company for the financial year ended March 31, 2017 is summarised below:

(Rupees in Lacs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Total Income	263.71	420.42
Less: Expenditure	15,126.29	17,025.09
Profit/(Loss) before Depreciation & Taxation	(14,862.57)	(16,604.67)
Less: Depreciation	54.41	118.10
Exceptional Items	(2,063.48)	(13,977.38)
Profit/(Loss) before taxation	(16,980.47)	(30,700.15)
Less: Provision for Tax / Deferred Tax	(153.79)	(56.39)
Profit/(Loss) after tax	(17,134.26)	(30,756.54)
Add: Balance brought forward from the previous year	(57,351.17)	(26,594.63)
Less: Appropriations (other than Dividend)	-	-
Less: Transfer to Capital Reserve as per Scheme of Merger	-	-
Less: Transfer to General Reserve	-	-
Balance Profit / (Loss) carried forward to the next year	(74,485.43)	(57,351.17)

### State of Company's Affairs

The Company conducts business through its subsidiaries and affiliates. Currently, its in process of developing a State of the Art Container Freight Station (CFS) 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 also proposes to develop Smart City, Port and recreational infrastructure through its subsidiary Companies.

The total income of the Company during the year under review is Rs. 263.71 Lacs as compared to total income of Rs. 420.42 Lacs during the previous financial year. During the year, the Company incurred net loss of Rs. (17,134.26) Lacs as compared to the loss of Rs. (30,756.54) 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 15,145.88 Lacs during the previous year to Rs. 8,817.86 Lacs during the year under review.

### Future Outlook

The Company shall continue to focus on developing valuable infrastructure in the field of Smart City/SEZ/Port/Logistics through Subsidiary Company / 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 Partner/Shareholders/Stakeholders.

### Dividend

In view of losses incurred by the Company, your Directors do not recommend dividend for the financial year ended March 31, 2017.

### Details of Subsidiary, Associates & Joint Venture

As on March 31, 2017, the list of Subsidiaries, Joint Ventures and Associate Companies is as follows:

#### i) Subsidiary Companies:

- Gujarat-Dwarka Portwest Limited
- Chiplun FTWZ Private Limited
- SKIL-Himachal Infrastructure and Tourism Limited
- Navi Mumbai SMART CITY Infrastructure Limited
- Orange Smart City Infrastructure Private Limited (Erstwhile Watson Properties Pvt Limited)
- SKIL Shipyard Holdings Private Limited
- Metrotech Technology Park Pvt. Ltd.
- SKIL Advanced Systems Private Limited ('SASPL')

Pipavav Electronic Warfare Systems 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

iii) **Joint Ventures:**

Sohar Free Zone LLC

Out of the aforesaid Subsidiary Companies, as of March 31, 2017/ during the period under review, Energy India Corporation Limited, SKIL Karnataka SEZ Limited, Pipavav Aero Infrastructure Private Limited, Jansampada Engineering Company Private Limited and SKIL Midivisana Engineering Company Private Limited has been struck off under the fast track Exit (FTE).

Company along with SKIL Shipyard Holdings Private Limited (wholly owned subsidiary) ('SSHPL'), Grevek Investment and Finance Private Limited ('Grevek') (collectively referred to as the 'Sellers'), Mr. Nikhil Gandhi, Mr. Bhavesh Gandhi (collectively along with the Sellers referred as 'Founder Promoters') had entered into Agreement dated March 04, 2015 with Reliance Defence Systems Private Limited (the 'Acquirer') and Reliance Infrastructure Limited (the 'PAC') (the 'Purchase Agreement'), for disinvestment of stake in Pipavav Defence and Offshore Engineering Company Limited (now known as Reliance Defence and Engineering Limited) ('RDEL'). According to the Purchase Agreement, the Acquirers were to purchase 13,00,00,000 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), at a price of Rs. 63 per share, aggregating Rs. 819 Crore. Till on the date of report, Acquirer has purchased 8,77,40,598 Equity Shares constituted aggregating to Rs. 553 Crores, which has been utilized for reduction of debts of the Company.

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 Port West Ltd; Navi Mumbai Smart City Limited, Orange Smart City Infrastructure Private Limited, SKIL Singapore Pte Ltd, Chiplun FTWZ 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 Companies Act, 2013 read with the Rules thereto, an Extract of the Annual Return of the Company as on March 31, 2017, in the prescribed Form MGT-9 is annexed to this Report as **Annexure I**.

**Details of Directors and Key Managerial Personnel**

Mr. U.B. Singh has been appointed as an Additional Director on May 09, 2017 and thereafter the Whole Time Director of the Company for a period of two years commencing from May 10, 2017 subject to the necessary approval of Members at the ensuing AGM. Later on at the Board Meeting held on August 30, 2017 his designation has been change from the Whole Time Director to Managing Director and Chief Executive Officer.

Mr. Ajay Khara resigned as Chief Executive Officer of the Company. w.e.f May 09, 2017. The Board places on record its appreciation for the valuable contributions made by him during his tenure.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Bhavesh Gandhi (DIN 00030623) shall retire at the ensuing AGM and being eligible for re-appointment, 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.

The brief profile of Director proposed to be re-appointed/appointed as aforesaid is provided in the exhibit in the Notice of Annual General Meeting.

Mr. Sudipan Bhaduri, ceased to be the Whole Time key Managerial Personnel of the Company under the category of Chief Financial officer w.e.f. September 28, 2016, pursuant to which Mr. Shekhar Gandhi was appointed in the said category w.e.f. May 09, 2017.

### **Details of Remuneration**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 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, 2017 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.

The Independent Directors, at there separate meeting 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, 2017 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; and
- (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;
- (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 2016-17, four meetings of the Board of Directors of the company were held on May 26, 2016, August 09, 2016, November 09, 2016 and February 09, 2017. 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. Details of the same form part of the Corporate Governance Report annexed to this report. 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, Ms. Gayathri Ramachandran and Mr. U. B. Singh 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 details 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 communications.

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 avail 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 the Board's Report.

#### **Statutory Auditors:**

As per the provisions of Section 139 of the Companies Act 2013, the term office of M/s. Bharat Shah & Associates, Chartered Accountants (bearing Registration Number: 101249W), the Statutory Auditors of the Company will conclude from the close of the forthcoming Annual General Meeting of the Company.

The Board of Directors places on record its appreciation for the services rendered by M/s. Bharat Shah & Associates, Chartered Accountants, as the Statutory Auditors of the Company.

As require under the provisions of Section 139(1) of the Act, the Company has received written consent from M/s. Kailash Chand Jain & Co., Chartered Accountants (bearing Registration Number: 112318W), informing that there appointment, if made would be in accordance with the provisions of the Act, read with the Rule 4(2) of the Companies (Audit and Auditors) Rules, 2014 and that they satisfy the criteria provided in Section 141 of the Act.

Members attention is drawn to a resolution proposing the appointment of the M/s. Kailash Chand Jain & Co., Chartered Accountants (bearing Registration Number: 112318W), as Statutory Auditors of the Company which is included in the Item No. 3 of the Notice convening the Annual General Meeting.

#### **Auditors' Report**

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2017, does not contain any qualification. The observation in the Auditors' Report by M/s. Bharat Shah & Associates, Chartered Accountants have been dealt with in the relevant Notes to Accounts, which are self-explanatory.

#### **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 has appointed Malay Shah & Associates, Practicing Company Secretary, Mumbai, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017, is as annexed to this 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 & 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 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 the 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 Companies Act, 2013 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 Rs. Nil and the Foreign Exchange Outgo is Rs. 11.55 Lacs.

#### **Employees Remuneration**

The information required under Section 197(12) of the Companies Act, 2013 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, if any, 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 year ended March 31, 2017. 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 Listing Regulations, 2015 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 Malay Shah & Associates, Practicing Company Secretary 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**

Presently, the Company equity shares are listed on 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 Rs. 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. After exploring all the possible legal actions the Company has filed the writ Petition bearing No. 10528/2017 before the Hon'ble High Court, Bombay Challenging the order passed by the concerned authority and the matter is subjudice.

**SEBI**

In the matter of consent application filed by the Company before SEBI, the same has been accepted and the settlement order being received by the Company. The Company has paid up the settlement charges levied by SEBI and closed the matter.

**Remuneration to Ex-Managing Director and Chief Executive Officer (Ex-MD & CEO)**

Remuneration of Mr. Ajay Kherra, Ex-MD & CEO was subject to the approval of the Central Government in terms of the Companies Act, 2013. As the Company's application for the approval of remuneration to Ex- MD & CEO had not been approved by Ministry of Corporate Affairs (MCA), New Delhi on account of alleged non-submission of reply to their letter dated July 05, 2017; the same stands contested by Company, as required submission was sent and even acknowledged by them. Till final approval by MCA, excess dues to Mr. Ajay Kherra are to be held in Trust with him, on behalf of the Company.

**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, 2017 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 thanks 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 30, 2017

**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, 2017**

*(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, 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 :	<a href="mailto:skil@skilgroup.co.in">skil@skilgroup.co.in</a>
	Website, if any:	<a href="http://www.skilgroup.co.in">www.skilgroup.co.in</a>
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-101, 247 Park, L.B.S. Marg, Vikhroli (west)
	Town / City :	Mumbai
	State :	Maharashtra
	Pin Code:	400 078
	Telephone :	+91-22-4918 6000
	Fax Number :	+91-22-4918 6060
	Email Address :	<a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

**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	14
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Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Gujarat-Dwarka Portwest Limited Add: 904- Labh, Shukan Tower, Opp Judges Bungalow, Bodakdev Ahmedabad GJ 380054 IN	U35117GJ1998PLC034420	Subsidiary	73.60%	2(87)
2.	Chiplun FTWZ Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U51900MH2005PTC157660	Subsidiary	52.00%	2(87)

Sr. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
3.	SKIL-Himachal Infrastructure and Tourism Limited Add: W-21, Green Park (Main), New Delhi-110 016, Delhi	U74899DL2005PLC143781	Subsidiary	100.00%	2(87)
4	Navi Mumbai SMART CITY Infrastructure Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U70102MH2007PLC171789	Subsidiary	84.96%	2(87)
5.	Orange Smart City Infrastructure Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U70102MH2016PTC272260	Step- down Subsidiary	84.96%	2(87)
6.	SKIL Shipyard Holdings Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U45203MH2005PTC155377	Subsidiary	100.00%	2(87)
7.	Metrotech Technology Park Pvt Ltd Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023,	U45200MH2006PTC213958	Subsidiary	100.00%	2(87)
8.	SKIL Advanced Systems Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U74900MH2009PTC196016	Subsidiary	100.00%	2(87)
9.	Pipavav Electronic Warfare Systems Private Limited Add: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra	U74999MH2010PTC208594	Subsidiary	100.00%	2(87)
10.	SKIL (Singapore) Pte. Ltd. Add: 10 Jalan Besar #11-05 Sim Lim Tower Singapore (208787)	NA	Subsidiary	100.00%	2(87)
11.	Reliance Defence and Engineering Ltd Add: Pipavav Shipyard Limited, Pipavav Port, Post Ucchaya, via Rajula, Rajual – 365 560, Gujarat	L35110GJ1997PLC033193	Associate	22.75%	2(6)
12.	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)
13.	Rosoboronservice (India) Limited Add: R-700, TTC Industrial Estate, MIDC Rabale, P.O. Ghansoli, Navi Mumbai 400701, Maharashtra	U74999MH2005PLC152890	Associate	20.00%	2(6)
14.	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)

#### 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#	4992010	0	4992010	2.30	4992010	0	4992010	2.30	0.00
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.	35553090	0	35553090	16.42	33053090	0	33053090	15.26	-1.16
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	87410539	0	87410539	40.36	83007828	0	83007828	38.33	-2.03
<b>Sub-total (A) (1)</b>	<b>143198127</b>	<b>0</b>	<b>143198127</b>	<b>66.12</b>	<b>136295416</b>	<b>0</b>	<b>136295416</b>	<b>62.93</b>	<b>-3.19</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>(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>143198127</b>	<b>0</b>	<b>143198127</b>	<b>66.12</b>	<b>136295416</b>	<b>0</b>	<b>136295416</b>	<b>62.93</b>	<b>-3.19</b>
<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	1300000	0	1300000	0.60	0.60
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>12576659</b>	<b>0</b>	<b>12576659</b>	<b>5.81</b>	<b>0.60</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	39128918	0	39128918	18.07	40141481	0	40141481	18.54	0.47
ii) Overseas	7022236	0	7022236	3.24	7022236	0	7022236	3.24	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3368544	29638	3398182	1.57	4136762	30680	4167442	1.92	0.35
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4180383	12500	4192883	1.94	5151020	12500	5163520	2.38	0.44
c) Others (specify)									
c-i) Clearing Member	249177	0	249177	0.12	2844336	0	2844336	1.31	1.19
c-ii) Non resident Indians (Non Repat)	217543	0	217543	0.10	151976	0	151976	0.07	-0.03
c-iii) Non resident Indians (Repat)	366951	0	366951	0.17	225757	0	225757	0.10	-0.07
c-iv) Directors / Relatives	0	0	0	0.00	0	0	0	0.00	0.00
c-v) Trust*	7236842	0	7236842	3.34	7486842	0	7486842	3.46	0.12
c-vi) HUF	283714	0	283714	0.13	495567	0	495567	0.23	0.10
<b>Sub-total (B)(2):-</b>	<b>62054308</b>	<b>42138</b>	<b>62096446</b>	<b>28.67</b>	<b>67655977</b>	<b>43180</b>	<b>67699157</b>	<b>31.26</b>	<b>2.59</b>
<b>Total Public shareholding (B)=(B)(1)+ (B)(2)</b>	<b>73330967</b>	<b>42138</b>	<b>73373105</b>	<b>33.88</b>	<b>80232636</b>	<b>43180</b>	<b>80275816</b>	<b>37.07</b>	<b>3.19</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</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>Grand Total (A+B+C)</b>	<b>216529094</b>	<b>42138</b>	<b>216571232</b>	<b>100.00</b>	<b>216528052</b>	<b>43180</b>	<b>216571232</b>	<b>100.00</b>	<b>0.00</b>

## ii Shareholding of Promoters\*

SI No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding 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	87410539	40.36	38.60	83007828	38.32	36.03	- 2.04
2	Montana Infrastructure Limited	34848791	16.09	16.07	32348791	14.93	10.15	-1.14
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	Pranay Mehta	625	0.00	0.00	625	0.00	0.00	0.00
	<b>TOTAL</b>	<b>143198127</b>	<b>66.12</b>	<b>60.86</b>	<b>136295416</b>	<b>62.93</b>	<b>52.90</b>	<b>-3.18</b>

\*Includes holding 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	87410539	40.36	87410539	40.36	
	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				
	24.06.2016	Invocation	4402711	2.03	83007828	38.32
	At the end of the year		83007828	38.32	83007828	38.32

2.	<b>Montana Infrastructure Limited</b>					
	At the beginning of the year		34848791	16.09	34848791	16.09
	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>				
	31.03.2017	Invocation	2500000	1.15	32348791	14.94
At the end of the year		32348791	14.94	32348791	14.94	
3.	<b>Sudipan Bhaduri, Jay Mehta, Ketan Shah, Trustees of HCWLL Trust</b>					
	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.	<b>Sudipan Bhaduri, Jay Mehta, Ketan Shah, Trustees of FDLL Trust</b>					
	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.	<b>Rupali Gandhi</b>					
	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.	<b>Nikhil P. Gandhi</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
7.	<b>Bhavesh Prataprai Gandhi</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
8.	<b>Neha Gandhi</b>					
	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.	<b>Grevek Investments and Finance Private Limited</b>				
	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.	<b>Prataprai Shivilal Gandhi</b>				
	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.	<b>Awaita Properties Private Limited</b>				
	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 such increase/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.	<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.	<b>SREI Infrastructure Finance Limited</b>				
	At the beginning of the year	17666820	8.16	17666820	8.16
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment / transfer/ bonus / sweat equity, etc.)	-	-	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.	<b>Ashoka Investment Holdings Limited</b>				
	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.	<b>Ashwini Infrastructure Private Limited</b>				
	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

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
4.	<b>Karanja Infrastructure Private Limited</b>					
	At the beginning of the year		8420288	3.88	8420288	3.88
	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 of Decrease</b>				
	12.08.2016	Transfer	8775	0.00	8411513	3.88
	At the End of the year (or on the date of separation, if separated during the year)		8411513	3.88	8411513	3.88
5.	<b>SKIL Group Employees Welfare Trust 2011</b>					
	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
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		2178412	1.01	2178412	1.01
	Date wise increase/decrease in shareholding during the year specifying the reasons for such increase/decrease (e.g. allotment / transfer/ bonus / sweat equity, etc.)		-	-	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>ARCH Finance Limited</b>					
	<b>At the beginning of the year</b>		0	0	0	0
	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/ Decease</b>					
	<b>Date</b>	<b>Reason for Increase/Deceas</b>				
	10.03.2017	Purchase	221653	0.10	221653	0.01
	17.03.2017	Transfer	(59652)	0.02	162001	0.07
	24.03.2017	Purchase	7890	0.00	169891	0.07
	31.03.2017	Purchase	1621733	0.74	1791624	0.82
	At the End of the year (or on the date of separation, if separated during the year)		1791624	0.82	1791624	0.82

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
9.	<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
10.	<b>Central Bank Of India</b>				
	At the beginning of the year	0	0	0	0
	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>Date</b>	<b>Reason For increase</b>			
	31.03.2017	Invocation			
		1300000	0.60	1300000	0.60
	At the End of the year (or on the date of separation, if separated during the year)	1300000	0.60	1300000	0.60
11.	<b>Rashi Fincorp Ltd.</b>				
	At the beginning of the year	490000	0.22	490000	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.)			490000	0.22
	At the End of the year (or on the date of separation, if separated during the year)	490000	0.22	490000	0.22
12.	<b>Dominant 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.)				
	<b>Date</b>	<b>Reason for Increase / decrease</b>			
	30.06.2016	Transfer	(555973)	375000	0.16
	30.09.2016	Transfer	(139500)	217500	0.10
	30.12.2016	Transfer	(202000)	15500	0.00
	24.02.2016	Transfer	(15500)	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
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

**V INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. in Lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	80 218	1 16 190	-	1 96 408
ii) Interest due but not paid	3 491	1 061	-	4 553
iii) Interest accrued but not due	877		-	877
<b>Total (i+ii+iii)</b>	<b>84 587</b>	<b>1 17 251</b>	<b>-</b>	<b>2 01 838</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	7 025	-	-	7 025
Reduction	- 4 494	- 590	-	- 5 084
<b>Net Change</b>	<b>2 531</b>	<b>- 590</b>	<b>-</b>	<b>1 941</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	82 749	1 15 600	-	1 98 349
ii) Interest due but not paid	4 132	2 062	-	6 194
iii) Interest accrued but not due	828	-	-	828
<b>Total (i+ii+iii)</b>	<b>87 709</b>	<b>1 17 662</b>	<b>-</b>	<b>2 05 371</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:

(Rs. in Lacs)

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(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>	-	-
	Ceiling as per the Act	-	

\* 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. 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.

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	2.00	1.20	2.00	-	-	5.20
Commission	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-
<b>Total</b>	<b>2.00</b>	<b>1.20</b>	<b>2.00</b>			<b>5.20</b>

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

(₹ in Lacs)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			Total
		Mr. Sudipan Bhaduri (CFO)	Ajay Khara, Chief Executive Officer	Mr. Nilesh Mehta (Company Secretary)	
1	Gross salary	5.00	100.00	36.00	141.00
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-		-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.20	1.73	0.40	2.33
	(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>5.20</b>	<b>101.73</b>	<b>36.40</b>	<b>143.33</b>

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 2016-17 and percentage increase in remuneration of each Director and KMP in the financial year 2016-17:**

Name	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase/decrease in remuneration during FY 2016-17
Mr. Nikhil Gandhi	Chairman	0.00	0.00
Mr. Bhavesh Gandhi	Vice Chairman	0.00	0.00
Mr. Ajay Khera	Chief Executive Officer <sup>#</sup>	11.11	0.00
Mr. Sudipan Bhaduri	Chief Financial Officer	-	-
Mr. Nilesh Mehta	Company Secretary	0.00	0.00

Note:

- (<sup>#</sup>) Mr. Ajay Khera resigned as Chief Executive Officer of the Company w.e.f. May 9, 2017
- (ii) **The percentage increase in the median remuneration of employees in the financial year:** NIL
- (iii) **The number of permanent employees on the rolls of the Company:** 11 Employees as on March 31, 2017.
- (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:** N.A.
- (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.

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**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 (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 applicable 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)
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 the 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.

**U. B. Singh**  
Whole-Time Director

**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, 2017

[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

CIN: L36911MH1983PLC178299

SKIL House, 209, Bank Street Cross Lane, Fort

Mumbai - 400023, Maharashtra

We 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 provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2017 according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings
- V. The following Regulations and Guidelines prescribed under the 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, 2015
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009  
(Not Applicable as the Company has not issued any further share capital during the period under review);
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;  
(Not Applicable to the Company during the period under review);
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008;  
(Not Applicable to the Company during the period under review);
  - f. 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; (Not Applicable to the Company during the period under review);
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and  
(Not Applicable to the Company during the period under review);
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;  
(Not Applicable to the Company during the Period under review);
- VI. The operations of the Company include a composite range of activities in the Infrastructure arena as stated in the Memorandum of Association of the Company. 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.



We have also examined compliance with the applicable clauses of the following:

- i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meeting (SS-2) issued by The Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- iii) We report that Stamp duty of Rs. 25 crores is pending pursuant to the scheme of amalgamation as the Company has filed writ petition before Hon'ble High Court, Bombay challenging the order passed by the Office of the Collector of Stamps, Mumbai.
- iv) We further report that the Company's application for appointment and remuneration of Mr. Ajay Khera as Managing Director was rejected by the Ministry of Corporate Affairs (MCA), New Delhi on account of non submission of reply to their letter dated May 13, 2015, however the Company has contested the same as required submission was perused by them. . Till further action by MCA, excess payment to Mr. Ajay Khera is held in trust with him on behalf of the Company.
- v) We further report that filing of annual return on foreign assets and liabilities with RBI is pending.
- vi) We further report that the company has delayed in compliance with the requirement of the provision of Section 203(1) of the Companies Act, 2013 relating to the Appointment of CFO, as the vacancy was filed on May 9, 2017.
- vii) We further report that we 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 We have not verified the correctness and appropriateness of the books of accounts of the Company. Further the Board of Directors have confirmed that loans / advances given are outside the purview of Section 73 and 185 of the Act.

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

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and 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.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

**For Malay Shah & Associates**  
**Company Secretaries**

**Malay Shah**  
**Proprietor**

**Place:** Mumbai

ACS No: 28281

**Date :** August 30, 2017

CP No: 12820

**Note: This report is to be read with our letter dated August 30, 2017 which is annexed as Annexure A and forms an integral part of this report.**

**ANNEXURE A**

To,  
The Members,  
SKIL Infrastructure Limited  
CIN: L36911MH1983PLC178299  
SKIL House, 209, Bank Street Cross Lane, Fort  
Mumbai - 400023  
Maharashtra

Our Report of even date is to be read along with this letter.

- (1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial record based on our audit.
- (2) We 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 fact are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- (3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- (4) Where ever required, we have obtained the Management representation about the compliances of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Malay Shah & Associates  
Company Secretaries**

**Malay Shah  
Proprietor**

**Place:** Mumbai  
**Date :** August 30, 2017

ACS No: 28281  
CP No: 12820

**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:**

The Board consists of Six Directors including one-Executive Director, one Non-Executive Chairman, one Non-Executive Vice-Chairman and 3 Independent Directors, Out of the 3 Independent Directors, one 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 endeavors 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 Regulation 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 Committees Chairmanships/Memberships held by them in other Companies as on March 31, 2017, are given below:

Name of the Directors	Category of Directorship	Designation	Other Directorships as on March 31, 2017 [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, 2017:**

During the financial year 2016-17, 4 (Four) Meetings of the Board of Directors were held on May 26, 2016, August 9, 2016, November 9, 2016, and February 9, 2017. The attendance of each Director at the said Board Meetings and at the 33<sup>rd</sup> Annual General Meeting held on September 27, 2016, 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	4	1	No
Mr. Bhavesh Gandhi	4	4	No
Mr. J. Alexander	4	4	Yes
Ms. Gayathri Ramachandran	4	3	No
Mr. V. Ramanan	4	4	No

**Note:** (i) No. of Board Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2016-17.

### 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.

#### (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 Director's 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;
  - 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.

(21) Carrying out any other function as may from time to time be required under any statutory, contractual or other regulatory requirement.

**Explanation (i):** The term “related party transactions” shall have the same meaning as provided in Regulation 23 of the Listing Regulations.

**Mandatory 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; and
  5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
  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 with the Senior Management Personnel which gives the Audit Committee a deeper insight into the workings.

**(ii) Composition:**

As on March 31, 2017, the Company’s Audit Committee comprises three Independent Directors i.e Mr. V. Ramanan, Ms. Gayathri Ramachandran and Mr. J. Alexander as its members. All the members of the Committee have relevant experience in financial matters.

The Audit Committee also reviews various functions, business risk assessment, controls and critical IT applications with implications of security and internal audit reports of all the major divisions of the Company. The Audit Committee also reviews the functioning of the Code of Business Principles and Whistle Blower Policy of the Company.

The meetings of Audit Committee are also attended by the CEO and Chief Financial Officer, Statutory Auditors and Internal Auditor as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed and confirmed in the next meeting of the Board. The Audit Committee also meets the internal and external auditors separately, without the presence of Management representatives.

**(iii) Meetings and Attendance during the year ended March 31, 2017:**

During the financial year 2016-17, 4 (Four) Meetings of the Members of Audit Committee were held on May 25, 2016, August 09, 2016, November 9, 2016 and February 09, 2017. 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	3

**Note:** (i) No. of Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2016-17.

(ii) The Chairman of the Audit Committee could not attend the last Annual General Meeting of the Company due to his personal exigencies.

**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.

**(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.
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, 2017, 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. The Company Secretary of the Company is the Secretary to the Committee.

**(iii) Meetings and Attendance during the year ended March 31, 2017:**

During the financial year 2016-17, 1 (One) Meeting of the Members of Nomination and Remuneration Committee was held on February 9, 2017. 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	0
4	Mr. V. Ramanan	1	1

**Note:** The previous Annual General Meeting held on September 27, 2016 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. The said Policy is annexed as Annexure V 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 Rs. 20,000/- to Non-Executive Independent Directors for attending the Meetings of the Board of Directors, Committee Meetings and as well as for the separate meeting of Independent Directors 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, 2017:**

Details of remuneration to the Directors of the Company during the year ended March 31, 2017, are as follows:

(Amount in Rs.)

Sr. No.	Name of Director	Sitting Fees	Salary & Perquisites	Total
1	Mr. J. Alexander	200,000	-	200,000
2	Mr. V. Ramanan	200,000	-	200,000
3	Ms. Gayathri Ramachandran	120,000	-	120,000
4	Mr. Nikhil Gandhi	-	-	-
5	Mr. Bhavesh Gandhi	-	-	-

**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, 2017:**

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 and jointly holds 83,007,828 Equity Shares as representatives of M/s. Metropolitan Industries, Partnership Firm.



## 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.

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..
2. Carrying out other functions as may from time to time be required under any statutory, contractual or other regulatory requirement.

### (i) Composition:

As on March 31, 2017 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 2016-17, 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

### (i) Details of shareholders complaints/queries received and resolved during the year ended March 31, 2017:

Pending as on April 1, 2016	Received during the year	Resolved during the year	Pending as on March 31, 2017
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, 2017, 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, 2017:

During the financial year 2016-17, 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 9, 2017 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, taking into account the views of Executive Directors and Non-executive Directors;
- (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.

Mr. J. Alexander and Mr. V. Ramanan, who are the Members of Independent Directors' Committee, were personally present in the Meeting and the Meeting 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 09, 2017, 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 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.

A Familiarisation Programme for Independent Directors is uploaded on the Company's website and is available at <http://www.skilgroup.co.in/index.php/2014-05-01-07-26-18/policies-code>

**10. GENERAL BODY MEETINGS:****(i) Location and time of last three Annual General Meetings:**

Year	Location	Date	Time
2015-2016	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, KalaGhoda, Fort, Mumbai – 400 001	27.09.2016	14.30Hours
2014-2015	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, KalaGhoda, Fort, Mumbai – 400 001	28.12.2015	1500 hours
2013-2014	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, KalaGhoda, Fort, Mumbai – 400 001	30.09.2014	1400 hours

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

Date of AGM	Special Resolution passed
27.09.2016	None
28.12.2015	None
30.09.2014	(i) For appointment and remuneration of Mr. Ajay Khara as Managing Director & 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. (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 Rs. 6300 Crores. (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'.

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

No such Special Resolution passed by through Postal Ballot.

**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 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.

As required under Regulation 23 of Listing Agreement, 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:**

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 except on account of settlement order passed by SEBI in the matter of consent application of the Company. The Company has paid the settlement charges of Rs 1,37,84,595/- (including interest amount of Rs. 5,10,595/-) levied by SEBI.

**(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 Business Standard and Aapla Mahanagar, 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) 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) 34<sup>th</sup> Annual General Meeting:**

Date:	Friday, September 29, 2017
Time:	14.30 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, 2018, are as follows:

	Event	Tentative Dates
1.	Financial reporting for the quarter ended June 30, 2017	On or before August 14, 2017
2.	Financial reporting for the quarter ended September 30, 2017	On or before November 14, 2017
3.	Financial reporting for the quarter ended December 31, 2017	On or before February 14, 2018
4.	Financial reporting for the quarter and year ended March 31, 2018	On or before May 30, 2018
5.	Annual General Meeting for the year ending March 31, 2018	On or before September 30, 2018

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

The Register of Members and the Share Transfer books of the Company will remain closed from Saturday, September 23, 2017 to Friday, September 29, 2017 (both days inclusive) for the purpose of Annual General Meeting.

**(iv) Dividend Payment Date:** Not Applicable

**(v) Listing on Stock Exchanges:**

The Equity Shares of the Company are listed on following Stock Exchanges.

1. National Stock Exchange of India Limited  
Exchnage Plaza, C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 4000 051

2. BSE Limited

Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai – 400001

(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:**

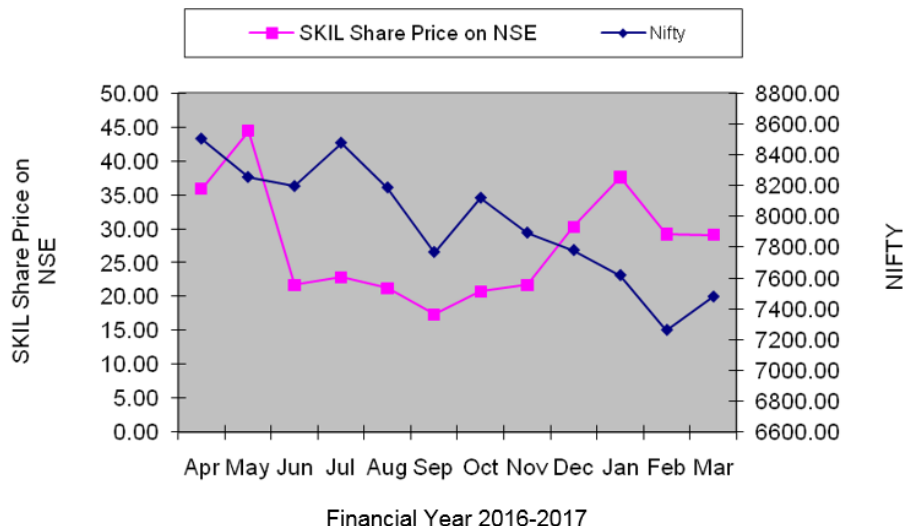
High and low of market prices of the Company's Equity Shares traded on NSE during the financial year were as follows:

Month & Year	High (Rs.)	Low (Rs.)
April, 2016	34.30	26.40
May, 2016	30.80	18.60
June, 2016	29.60	20.10
July, 2016	31.00	24.20
August, 2016	27.05	19.50
September, 2016	22.30	18.00
October, 2016	29.50	17.65
November, 2016	27.40	18.00
December, 2016	27.40	20.65
January, 2017	25.80	21.10
February, 2017	29.05	21.60
March, 2017	27.85	18.50

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

Month & Year	High (Rs.)	Low (Rs.)
April, 2016	NA	NA
May, 2016	35.20	18.00
June, 2016	30.00	18.00
July, 2016	31.40	24.00
August, 2016	28.00	17.50
September, 2016	22.35	17.25
October, 2016	29.60	19.40
November, 2016	27.10	18.00
December, 2016	27.90	20.45
January, 2017	25.80	20.55
February, 2017	29.00	21.45
March, 2017	28.00	19.00

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



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

Link Intime India Private Limited,  
C 101, 247 Park, L.B.S. Marg,  
Vikhroli (West),  
Mumbai- 400083  
Ph. : +91- 22 - 49186270  
Fax : +91- 22 - 49186060  
E-mail : [mt.helpdesk@linkintime.co.in](mailto:mt.helpdesk@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.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 Clause.

As stipulated by the SEBI, Reconciliation of Share Capital Audit is conducted by a Practising Company Secretary 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, 2017:**

No. of Shares	No. of Shareholders	% of Shareholders	Shares	% to Total
1 - 500	3589	62.51	523739	0.24
501 - 1000	778	13.55	688506	0.31
1001 - 2000	480	8.30	773168	0.35
2001 - 3000	193	3.36	510520	0.24
3001 - 4000	134	2.33	483906	0.22
4001 - 5000	119	2.07	569045	0.27
5001 - 10000	193	3.36	1490633	0.69
10001 & above	255	4.44	211531715	97.68
<b>Total</b>	<b>5741</b>	<b>100.00</b>	<b>216571232</b>	<b>100.00</b>

**(b) Shareholding Pattern (categories of shareholders) as on March 31, 2017:**

Category	No. of Shares held	% of Total shareholding
Promoters	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, 2017. The Promoters hold their entire equity shareholding in the Company in dematerialized form. 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 -

- Link Intime India Pvt. Ltd, 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.
- 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.

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 appointment / re-appointment:**

As required under Regulation 36(3) of the Listing Regulations, particulars of Director seeking appointment:

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\\_phocadownload&view=category&download=93:policy-on-material-subsiidaries&id=13:policies&Itemid=186](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=93:policy-on-material-subsiidaries&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 Whole Time Director 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?option=com\\_phocadownload&view=category&download=100:code-of-practices-and-procedures-for-fair-disclosure-of-upsi&id=15:code-for-fair-disclosure&Itemid=188](http://www.skilgroup.co.in/index.php?option=com_phocadownload&view=category&download=100:code-of-practices-and-procedures-for-fair-disclosure-of-upsi&id=15:code-for-fair-disclosure&Itemid=188)



**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 Whole Time Director In lieu of 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. Malay Shah 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.

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**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: August 30, 2017

**Malay Shah**

Practicing Company Secretary

ACS No.: 28281

CP No.: 12820

**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, U. B. Singh, Whole Time Director (In lieu of CEO) and Shekhar Gandhi, 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 30, 2017

**Shekhar Gandhi**

**U. B. Singh**

**Place:** Mumbai

**Chief Financial Officer**

**Whole Time Director**

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**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, 2017 has been confirmed by the Board Members and Senior Management Personnel of the Company.

**Date:** May 30, 2017

**U. B. Singh**

**Place:** Mumbai

**Whole Time Director**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (2016-17)

### **World Economic Outlook (WEO) - April 2017 (Source: *International Monetary Fund*)**

With buoyant financial markets and a long-awaited cyclical recovery in manufacturing and trade under way, world growth is projected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018. World economy gained speed in Q4-2016 and the momentum is expected to persist. Activity is projected to pick up markedly in emerging market and developing economies because conditions in commodity exporters experiencing macroeconomic strains are gradually expected to improve, supported by partial recovery in commodity prices. In advanced economies, the pickup is primarily driven by higher projected growth in the US. Although changes to the global growth forecast for 2017 and 2018 since Oct-2016 WEO are small, there have been meaningful changes to forecasts for countries. In line with stronger-than-expected momentum in the 2<sup>nd</sup> half of 2016, the forecast envisages a stronger rebound in advanced economies. Projected growth has been revised upward in the US, Europe, China, Russia and Japan.

### **Optimism about Global Economic Scenario for 2017-18**

#### ***Global Economic Outlook, Q2 2017 (Source: Deloitte University Press)***

**Q2-2017** began with considerable political risk in the world. Elections in Europe, conflict in the Middle East, tensions on the Korean peninsula, and uncertainty about trade policy in the United States led to a high degree of financial market volatility. And yet the growth has improved in the US, Europe, China, Japan, and many emerging countries.

In the USA, policy reforms may boost productivity growth, including infrastructure investment, tax reform, and deregulation. In Eurozone, inspite of high political risks, economic growth is accelerating without noticeable change in the behaviour of financial markets due to better growth, rising employment, and disappearance of deflation. China is growing at favourable pace and is stabilizing. Japan seems to be doing better with exports helping in reviving growth. Russia is faring well than last year, mainly due to external factors. Higher oil prices have boosted the revenue helping Ruble to stabilize and allowing easing of monetary policy. In Brazil, lower inflation has allowed the central bank to ease monetary policy with the government determined to fix fiscal policy that ought to boost growth resulting into a drop in bond yields and a rise in the currency, both of which indicate growing confidence. In Africa, Kenya is strong, South Africa is weak, and Nigeria is contracting. Africa's current performance and future prospects will be significantly determined by roles played by commodities, privatization, diversification, and China.

India is lately doing considerably better than expected; economy is now growing and reflecting favourable monetary and fiscal policy responses to the monetary crisis.

Finally, it is also foreseen that inflation is finally starting to rise in the developed world after a prolonged period of weakness. But the rebound in oil prices and underlying inflation is likely to remain subdued. This suggests that monetary policy is not likely to offer many surprises. The US Federal Reserve is expected to engage in gradual tightening, while the central banks of the Eurozone and Japan are expected to remain focused on avoiding deflation. In emerging countries, the stabilization of currencies has allowed for lower inflation, thus enabling central banks to ease policy.

### **Overall Global Economic Scenario**

A quick look at inflation dynamics around the world suggests that while headline inflation has gone up, core inflation, which excludes volatile food and energy prices, remains steady. No surprises are anticipated from major central banks. With currencies stabilizing in emerging markets, energy prices slowing, and inflation still under control in major developed economies, interest rates are likely to have a steady path ahead in major economies. In Brazil, lower inflation and efforts to stem the high fiscal deficit imply that the central bank is likely to stick to a rate-cutting path this year. In USA, the Fed is expected to raise rates by a total of 75 basis points this year. In Japan and the Eurozone, any decision to change monetary policy is unlikely due to below-target inflation.

### **Economic Outlook of India (Source: *Economic Survey 2016-17, Volume 1*)**

#### **BACKGROUND**

After 1991, India has progressively distanced itself from statism and made considerable strides in improving its economy management. Yet still, India has to traverse a considerable distance to realize its ambitions on growth, employment and social justice.

#### **MAJOR CHALLENGES TO INDIAN ECONOMY**

##### ***Domestic:***

Broader societal shifts are required in ideas and narratives to address three major challenges: reducing "inefficient redistribution," strengthening state capacity in delivering essential services and regulating markets, and dispelling the ambivalence about protecting property rights and embracing the private sector.

##### ***International:***

The international order is posing new challenges such as the impact of Brexit and the US elections; the post war consensus in favour of globalisation of goods, services and labor in particular, and market-based economic organization. Given that India's growth ambitions of 8-10% require export growth of about 15-20%, any serious retreat from openness on the part of India's trading partners would jeopardize those ambitions.

## STEPS TAKEN BY THE GOVERNMENT TO OVERCOME CHALLENGES

The year was marked by two major domestic policy developments, the passage of the Constitutional amendment, paving the way for implementing the Goods and Services Tax (GST), and demonetization of the two highest denomination notes.

### **GST:**

GST, bold new experiment in governance of India's cooperative federalism, will create a common Indian market, improve tax compliance/governance, and boost investment/growth.

### **DEMONETISATION:**

On November 8, 2016, two largest denomination notes, Rs. 500 and 1000—together comprising 86% of entire cash in circulation—ceased to be legal tender but for a few specified purposes. The aim was to curb: corruption, counterfeiting, use of high denomination notes for terrorist activities, and accumulation of “black money”, generated by income not declared to the tax authorities. Demonetisation has the potential to generate long-term benefits of reduced corruption, greater digitalization of the economy, increased flows of financial savings, and greater formalization of the economy, eventually leading to higher GDP growth, better tax compliance and greater tax revenues.

### **Other structural economic reforms:**

- Overhauling the bankruptcy laws so that the “exit” problem that pervades the Indian economy—with deleterious consequences—can be addressed effectively and expeditiously;
- Codifying the institutional arrangements on monetary policy with the RBI, to consolidate the gains from macroeconomic stability by ensuring that inflation control will be less susceptible to the whims of individuals and the caprice of governments;

## IMPACT OF REFORMS

These measures cemented India's reputation as one of the few bright spots in an otherwise grim global economy. India is among the world's fastest growing major economies, underpinned by a stable macro-economy with declining inflation and improving fiscal and external balances. It was also one of the few economies enacting major structural reforms.

## REVIEW OF DEVELOPMENTS IN 2016-17

The Indian economy has continued to consolidate the gains achieved in restoring macroeconomic stability. Real GDP growth in the first half of the year was 7.2%, on the weaker side of the 7.0-7.75% projection in the Economic Survey 2015-16 and somewhat lower than the 7.6% rate recorded in the second half of 2015-16. The main problem was fixed investment, which declined sharply as stressed balance sheets in the corporate sector continued to take a toll on firms' spending plans. On the positive side, the economy was buoyed by government consumption (due to implementation of 7th Pay Commission salary recommendations), and by the long-awaited start of an export recovery as demand in advanced countries began to accelerate. GDP growth recovered to respectable level of 7.1% for the full financial year 2016-17.

## FOLLOW UP ACTIONS & WAY FORWARD

To minimize the costs and maximise the benefits include: fast, demand-driven, remonetisation; further tax reforms, including bringing land and real estate into the GST, reducing tax rates and stamp duties; and acting to allay anxieties about over-zealous tax administration. These actions would allow growth to return to trend in 2017-18. The steady progress on structural reforms made in the last few years needs to be rapidly built upon, and the unfinished agenda completed.

### India - Economic forecast summary (June 2017) (Source: OECD)

Economic growth is projected to remain strong and India will remain the fastest-growing G20 economy. Increase in public wages and pensions will support consumption. Private investment will recover gradually as excess capacity diminishes, and the landmark Goods and Services Tax (GST) and other measures to improve the ease of doing business are being implemented. As per IMF forecast, India is expected to achieve the GDP growth of 7.2% for the FY 2017-18.

## Indian Logistics Industry- Overview

### **Current Scenario:**

The Indian logistic sector comprises of transportation, warehousing, freight forwarding and value-added logistics segments whereby transportation (road, rail, air and water) contributes more than 50%, warehousing (industrial and agricultural storage) around 25%, followed by rest two segments. Logistics is regarded as the backbone of the economy, providing efficient and cost effective flow of goods on which other commercial sectors depend. Indian logistics industry is evolving rapidly, it is the interplay of infrastructure, technology and new types of service providers, which defines whether the logistic industry is able to help its customers reduce their costs in logistics sector and provide effective services. Indian logistics industry continues to witness growth due to the growth in retail, ecommerce and manufacturing sectors. Rise of e-commerce logistics and increased domestic consumption will lead the way for the industry in the coming years. With a promise of growth and improvements, the service oriented logistics industry is ready to expand beyond the horizons in the latter half of this decade.

### **Challenges:**

- Major challenge is the insufficient integration of transport networks, information technology, and warehousing & distribution facilities. Regulations at different tiers are imposed by national, regional and local authorities who differ from city to city, hindering the creation of national networks.

Trained manpower, essential for the third party logistics sector, is very weak at a practical level, i.e., IT, driving and warehouse as well as at a higher strategic level. The disorganised nature of the logistics sector in India, its perception as a manpower-heavy industry and lack of adequate training institutions has led to a shortfall in skilled management and client service personnel. There is a lack of IT standard, equipment and poor systems integration.

Poor facilities and management are the reason for high levels of loss, damage and deterioration of stock, mainly in the perishables sector due to insufficient specialist equipment like proper refrigerated storage and containers.

The sector is under-penetrated in the area of research. It is essential to prioritise research and development to identify the weaknesses and explore suitable remedies thereof.

### **Solutions**

- Warehousing is required to go to the next level considering the changing dynamics of Just-In-Time manufacturing, global procurement and new models of sales and distribution.
- Emphasis on research and development is potent mainly because it encourages the use of indigenous technology which can make the industry cost competitive and can also bring about improvement in services thereby using better, effective and efficient services.
- Particular focus has to be on research in process excellence which can help to eliminate inefficiencies and bring Indian logistics on par with global practices.

### **Future Prospects**

Indian logistics industry is estimated to grow at 10-15% annually, led by e-commerce penetration, economy revival, GST implementation and government initiatives like Make in India, National Integrated Logistic Policy, 100% FDI in warehouses, food storage facilities etc. Logistics firms are moving from a traditional setup to the integration of IT and technology to their operations to reduce the costs and to meet the service demands. Growth of Indian logistics sector depends upon its soft infrastructure like education, training and policy framework as much as the hard infrastructure. Demand for warehousing facilities is constantly on the rise due to increase in government procurement, rise in contract farming and development of organized retail sectors. These 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. Here, the GST implementation would benefit immensely the players in organized sectors in terms of consolidation and merging of smaller players with larger organized players to leverage mutual benefits. The sector would also attract international logistic players through FDI, JVs or acquisitions propelling the industry to march towards the developed market standards of logistic performance index.

### **Indian Logistics Industry – at the cusp of transformation**

Indian logistics industry is moving towards a major transformation phase. The government's plans to cut logistics costs from current 14-15% of GDP to 9-10%, through a modal shift towards water and railway and efficiency improvement, the sector is all set to experience a positive growth trajectory. 2017-18 Union Budget laid an emphasis on infrastructure growth with plans to develop highways, railways and rural roads and revive unused airstrips and airports, port modernisation and augmentation, development of multimodal logistics parks, smart cities project and dedicated freight corridors. Successful and timely completion of these proposed projects will ensure cost effectiveness and operational efficiencies in transport and logistics sector.

### **GST – a favourable bet for the industry**

With the GST implementation, logistics companies, currently forced to set up many small warehouses across various cities can set up just a few, big warehouses region wise and follow the hub-and-spoke model for freight movement from warehouses to different manufacturing plants, wholesale outlets, retail outlets and the various Point-Of-Sales. This growth is backed by the boom in the e-commerce sector and expansionary policies of the FMCG firms. Hence, a bigger opportunity awaits those industry players who can manage bigger routes and deliver accurately and efficiently. Companies can evolve from traditional service delivery systems to highly integrated and technically advanced service providers. GST provides those companies with ample opportunities to expand the contract logistics business in India.

### **Infrastructure sector in India**

*"The link between infrastructure and economic development is not a once and for all affair. It is a continuous process; and progress in development has to be preceded, accompanied and followed by progress in infrastructure, if we are to fulfil our declared objectives of generating a self-accelerating process of economic development."* Said a noted Indian economist, Dr. V. K. R. V. Rao.

### **India's Infrastructure Overview**

Infrastructure sector is a key driver for Indian economy and is highly responsible for propelling India's overall development and enjoys intense focus from the government for initiating policies that would ensure time-bound creation of world class infrastructure in the country. Infrastructure includes key sectors such as power, bridges, dams, roads, railways, ports, airports, and urban infrastructure development. The sector has received growing attention from the government and the public, bringing the shortage of infrastructure to the fore.

India's rapid economic growth in last 10 years has placed tremendous stress on its limited infrastructure. Fulfilling India's aggressive economic growth aspirations would be seriously challenged due to this shortage. The country needs to urgently accelerate its infrastructure development to achieve the planned growth prospects. Development of India's infrastructure, although a high-growth sector and clearly recognised as a national priority, presents a huge task as well as a huge opportunity. Building world-class infrastructure is integral to the development of a competitive Indian economy that is expected to play a larger and important role in the world economy.

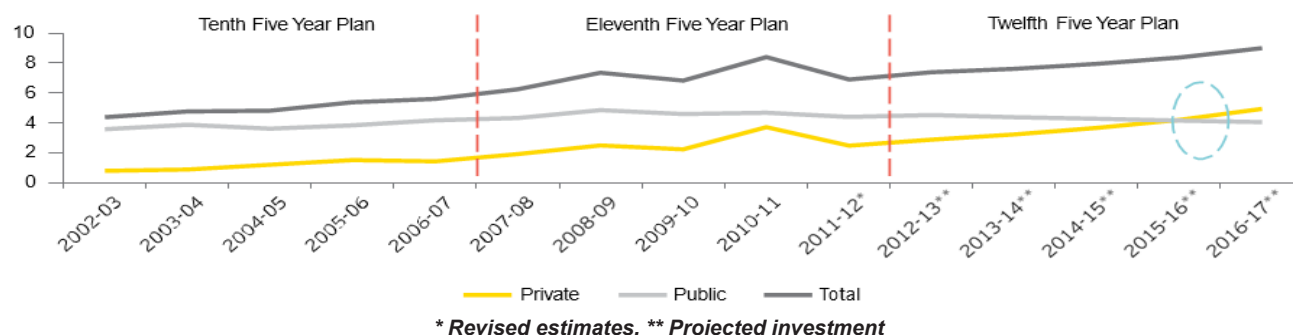
Last few decades saw the emergence of infrastructure growth in roads, railways, airports and ports in India. Upgradation of highly congested state and national highways from two to four and six lanes as well as connecting of East-West and North-South corridors has spearheaded the development of industries. Currently, India boasts of one of the largest road network in the world aggregating to more than 5.50 million kms. Spread over a coastline of 7,517 kms, 12 major and 187 non-major ports have also been playing a crucial role in facilitating India's international trade and in generating economic activity in their surroundings and hinterland.

### Economic growth driven by considerable investment in infrastructure sector in past decade

India's economic growth has primarily been driven by considerable investment in infrastructure development after liberalisation. Investments have increased sharply to Rs. 23.8 trillion in the 11th Five-Year Plan from Rs. 9.1 trillion during the 10th Five-Year Plan. These investments in roads and highways, telecom, airports, ports, power, oil and gas and railways have helped India attain an improved growth trajectory in the last ten years prior to 2012. They are further estimated to increase to Rs. 56.3 trillion in the 12th Five-Year Plan.

The share of infrastructure as a % of GDP increased from 5% in the 10th Five-Year Plan to around 7.2% in the 11th Five-Year Plan on the back of a favourable policy support (**Source: "Twelfth Five Year Plan 2012-2017 – Economic Sectors (Volume II)," Planning Commission website**). Over the past decade, public sector investment as a % of GDP remained consistent and the increase in total share is attributed to an increasing share of private sector investment as % of GDP. Sectors such as roads, airport, power and ports have become very attractive for domestic and foreign investors due to relatively low entry barriers in these markets, a strong project pipeline and a considerable opportunity size.

### Investment in infrastructure as a percentage of GDP

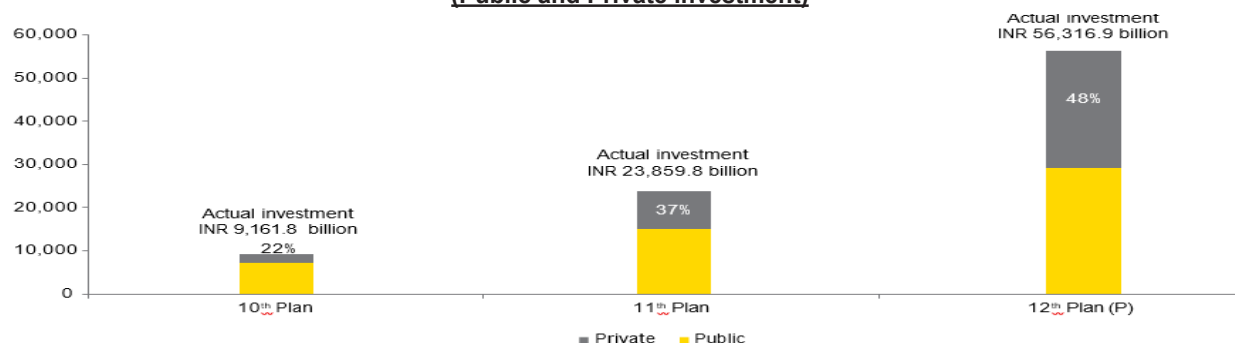


Source:

Table 3.16-Investment during 11<sup>th</sup> Plan as Percentage of GDP and Table 3.17- Projected Investment in Infrastructure — 12<sup>th</sup> Plan, Volume -1, 12<sup>th</sup> Plan (2012-2017), Planning Commission

### Comparison of total Investment in infrastructure as per last three Five-year Plans

#### (Public and Private investment)



Source: Twelfth Five Year Plan and Eleventh Five Year Plan, Planning Commission



### **Government Actions & Initiatives on Policy Reforms & Regulatory Framework**

The government, in order to keep pace with the targeted economic growth, has felt the need of world-class infrastructure in the country at a rapid pace. Albeit, it needs huge expenditure for which financing from government alone is insufficient. Therefore, to scale up investments in infrastructure, the Indian government during the Union Budget FY2016-17 earmarked a total outlay of Rs. 2.21 lakh crore (USD 33 billion) along with key reforms to the FDI policy, to help attract further investments.

During the 12<sup>th</sup> Plan, the government has set up a target of RS. 56.30 trillion investment for infrastructure development which effectively form 10% of the GDP. This will completely transform India's infrastructure landscape. Traditionally, the government remained solely responsible for financing, implementation, operations and maintenance of infrastructure projects. However, to avoid cost and time overruns and benefit from innovative project structuring and implementation strategies, it has started encouraging private sector participation in infrastructure development. In the 12th Five-year Plan, the government target is to meet around 48% of infrastructure spending by private sector, as compared to 36% contribution estimated in the 11th Five Year Plan.

Given the enormity of the task in hand, the government has taken steps in the right direction by including take-out financing scheme, an Infrastructure Development Fund and infrastructure bonds. It has also liberalised the ECB policy to enable the flow of foreign funds to the sector. Other important measures taken by the government in recent years to boost the EPC industry are:

- Allowing 100% private sector stake in the development of 17 airports in 11 states
- Allowing FDI of up to 100% under automatic route in townships, housing, built-up infrastructure and construction development projects
- Opening the railways sector completely for FDI except the operations
- Establishment of Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) to bring infrastructure financing back on track

### **Government's Make-in-India program**

Current government launched a new national MAKE-IN-INDIA program on 25th Sept, 2014 with the primary goal of making India a global manufacturing hub, by encouraging both multinational and domestic companies to manufacture their products within the country. It also seeks to facilitate job creation, foster innovation, enhance skill development and protect intellectual property. It also aims at sustainable development in the country by imposing high-quality manufacturing standards while minimising environmental and ecological impact. Amongst various sectors included as part of this program are construction, ports & railways, roads & highways also. As infrastructure is integral to the growth of any industry, the government intends to develop industrial corridors and build smart cities with state-of-the-art technology and high-speed communication.

### **Government vision of creating SMART CITIES to support MAKE-IN-INDIA's cascading effect**

Government has launched five industrial corridor projects across the country with strategic focus on inclusive development of industrialization and planned urbanization. In these corridors, manufacturing will be a key economic driver which will raise the share of manufacturing in India's GDP from the current levels of 15% to 25% by 2025. The captive and the floating populace in and around those proposed Corridors will require massive urban infrastructure set up, therefore Smart Industrial Cities are being developed along these Corridors to integrate the new workforce.

Smart Cities Mission is an urban renewal and retrofitting program by the government to promote cities that provide citizen friendly core infrastructure through application of SMART solutions and to provide decent quality of life through clean and sustainable environment.

Furthermore, as majority Indian population is attaining more and more literacy combined with more employment opportunities and higher income in urban areas, there is a rapid population shift from rural to semi-urban and urban areas, mainly due to ready availability of primary necessities such as quality education, healthcare and social infrastructure. Therefore, the government has envisaged setting up of 100 SMART CITIES over a period of 20 years with world-class facilities and technologies that will offer an affordable yet quality lifestyle to masses. Each participating city will establish an SPV to implement its Smart City plan. An SPV is a limited company incorporated at the city-level, in which the state and the Urban Local Body (ULB) are promoters, though private entities may hold up to a 50% equity stake.

### **Introduction of Hybrid Annuity Model (HAM) to revive Public Private Partnership (PPP) in highway construction in India**

Government has decided to introduce Hybrid Annuity Model (HAM) to revive PPP (Public Private Partnership) in highway construction. Traditionally, 3 models – PPP Annuity, PPP Toll and EPC (Engineering, Procurement & Construction) were followed for private sector participation. Launch of this new model is due to problems with the existing three models wherein various stalled projects have hampered the growth and pace of infrastructure and have added to NPAs of the banking system. The HAM is a mix between two existing models – BOT Annuity and EPC. In financial terminology hybrid annuity means that the payment is made in a fixed amount for an initial period and in a variable amount in the remaining period.

In the HAM model, the government will contribute 40% of the project cost in the first 5 years through annual payments (annuity) and the balance payment to be made on the basis of the assets created and the performance of the developer. The first 40% payment is made as fixed amount in five equal instalments and balance 60% is paid as variable annuity amount after project completion depending upon the value of assets created. As the government pays only 40% during construction stage, the developer should

arrange balance amount in form of equity or loans. There is no toll right for the developer. Under HAM, revenue collection would be the responsibility of the National Highways Authority of India (NHAI).

Advantage of HAM is that it gives enough liquidity to the developer and the financial risk is shared by the government. While the private partner continues to bear the construction and maintenance risks as in the case of BOT (toll) model, he is required only to partly bear the financing risk. Government's policy is that the HAM will be used in various stalled projects where other models are not applicable.

#### **Future growth areas for Infrastructure sector**

Out of proposed investment of Rs. 56 trillion over next five years, almost 50% is expected to come from private players. One of the examples of a large planned infrastructure development is the Delhi-Mumbai Industrial Corridor, envisaged to accommodate large industrial zones, development of smart cities and creation of logistics network. Opportunities are also expected to arise in urban infrastructure development, such as large urban transport and water supply projects in urban cities, driven by the rapid pace of urbanization on account of development of II-tier and III-tier cities. Other high-funding high-opportunity area will be development of integrated high-tech Smart Cities as proposed by the government.

#### **Way Forward for Private Sector Participation / EPC players**

Given the size of emerging infrastructure space, there are ample opportunities for private sector/EPC players. Considering that fundamentals of the sector's growth have begun to correct, timely and innovative initiation and implementation of policy measures will go a long way in facilitating its journey. It must also be ensured that there are no challenges or hurdles to EPC project implementation. It is to be remembered that risk and reward are two sides of the same coin. Excessive chasing of either of them will force the whole system go for a toss.

EPC players should target new projects as long-term commitments, giving due consideration to risks that can span the life cycle of a project. They can expand their business by diversifying operations, strategic tie-ups and moving up the value chain by transforming themselves from mere asset-creators to solution-providers. Given the plethora of opportunities and growing complexity of new-age infrastructure projects, it is high time that players develop sound capabilities in design, engineering, execution and project management. They also need to develop the mind-set of being a partner to the government in its nation-building exercise.

#### **COMPANY'S OVERVIEW**

Your Company, as part of its strategic move to reduce debt by unlocking value, has embarked on consolidation path. The Company, as successfully demonstrated over last 25 years, is determined to continue to increase the value for all its Partners/Shareholders/Stakeholders.

After having reviewed the business opportunities and resultant decision to exit non-core activities and investments, the Company continues to focus on its core competency area, particularly in infrastructure development such as Smart City/SEZ/PORT/Logistics through Special Purpose Vehicles and by securing robust Partnership to ensure sustainable value for shareholders.

Over last 25 years, the Company with the philosophy of creating value for shareholders, has brought in huge investments from globally reputed companies such as Port of Singapore Authority; Danish Conglomerate A.P. Moller Group; Swedish Conglomerate SAAB AB; as well as India's leading corporates like Reliance (ADAG), Shri Mukesh D. Ambani Group, Jay Corp. The Company is committed to strive to benefit all the stakeholders in future.

#### **DISCUSSION ON RESULTS OF OPERATIONS**

The Company's revenue from operations for the FY under review is Rs. 263.71 lacs as against Rs. 420.42 lacs during the previous year. This reduction is mainly due to Company's decision not to undertake EPC contracts because of decreasing margin, delayed realization etc. Further, as compared to FY 2015-16 net loss of Rs. 30,756.55 lacs, the company has been successful in reducing its net loss having registered the net loss of Rs. 17,134.25 lacs for FY 2016-17, thus registering a decline in net loss to the tune of Rs. 13,622.30 lacs over last year. The Company, in its persistent effort to reduce its debt, has also focussed on reducing its finance cost (major net loss constituent) which is already decreasing over last three years. These efforts have enable the Company to reduce its finance cost by Rs. 6,328.02 lacs, i.e., FY 2016-17 finance cost stood at Rs. 8,817.86 lacs as compared to financial cost for FY 2015-16 at Rs. 15,145.88 lacs.

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

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

- i) Audit Committee of the Board
- ii) Nominations and Remuneration Committee
- iii) Stake Holder'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, review 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. 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 2016-17 envisages infrastructure reforms with focus on development of critical infrastructure and focus on removing structural bottlenecks in projects and industry.
- **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 paid 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.

### **SUBSIDIARY COMPANIES AND THEIR ROLE AND INPUTS**

The subsidiary companies created for the purpose of different projects, be it Gujarat Dwarka Port West Ltd; Navi Mumbai Smart City Infrastructure Limited, SKIL Singapore Pte Ltd, Chiplun FTWZ 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.

## 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 2017, 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, 2017;
- 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, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in "Annexure A" 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, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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.
  - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 37 to the financial statements

**For BHARAT SHAH & ASSOCIATES**

**Chartered Accountants**

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

**(BHARAT A. SHAH)**

**PROPRIETOR**

**Membership No.32281**

**PLACE : MUMBAI**

**DATED : 30/05/2017**

### **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, 2017. 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 are held in the name of the company
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 2017, for the period of more than six months from the date becoming payable except Income tax liability of Rs. 224.82 Lacs, Income tax (TDS) of Rs.181.58 Lacs, Wealth Tax of 3.60 Lacs, Interest on TDS Payable of Rs. 955.86 Lacs and Stamp duty payable of Rs. 2,500/- Lacs and Sales tax payable of Rs. 6.80 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. The disputed statutory dues aggregating to Rs. 5087.11 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 (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 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)
Income Tax Act, 1961	Income Tax Regular Assessment dues	Assessment Year 2014-15	1,420.26	CIT (Appeals)- Mumbai
Maharashtra Stamp Act	Penalty on Stamp Duty	Assessment Year 2015-16	2,085.00	High Court
<b>Total</b>			<b>5,087.11</b>	

8. According to the records of the company examined by us and the information and explanations given to us by the Management, we are of the opinion that as on 31<sup>st</sup> March 2017, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders except for amount payable to banks aggregating to Rs. 18,420.93 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	2,308.01	Jul-15
2	Loan From Union Bank of India	590.97	Mar-16	34.16	Nov-16
3	Loan From Central Bank of India_III	5,000.00	Mar-16	1,322.92	Jul-15
4	Loan From IDBI Bank - 0701673100000028-CC	224.05	Nov-16	-	-
5	Loan From IDBI BANK-1	589.97	Oct-16	-	-
6	Loan From IDBI BANK-2	18.06	Sep-16	11.29	Mar-17
7	Loan From IDBI BANK-3	6.81	Oct-15		Mar-17
8	Loan From Yes Bank – 1	356.79	Mar-16	127.54	Mar-17
9	Loan From Yes Bank Ltd- 2	-	-	330.35	Mar-17
	<b>Total</b>	<b>14,286.65</b>		<b>4,134.29</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.



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 : 30/05/2017**

**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, 2017 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For BHARAT SHAH & ASSOCIATES**

**Chartered Accountants**

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

**(BHARAT A. SHAH)**

**PROPRIETOR**

**Membership No.32281**

**PLACE : MUMBAI**

**DATED : 30/05/2017**

**BALANCE SHEET AS AT MARCH 31, 2017**

(Rs. in Lacs)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	21,657.12	21,657.12
Reserves and Surplus	3	2,42,458.99	2,67,579.25
		2,64,116.11	2,89,236.37
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	1,76,025.41	1,78,539.65
Other Long Term Liabilities	5	35,472.29	27,486.29
Long-Term Provisions	6	18.38	17.37
		2,11,516.08	2,06,043.31
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	7	3,700.00	4,519.00
Trade Payables	8	68.98	437.18
Other Current Liabilities	9	73,955.24	60,977.53
Short-Term Provisions	10	54.52	61.41
Deferred Tax Liabilities	11	0.43	
		77,779.17	65,995.12
<b>Total</b>		<b>5,53,411.36</b>	<b>5,61,274.80</b>
<b>II. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	22,067.47	22,136.28
Intangible Assets		0.69	1.38
Capital Work-in-progress	36	27,620.06	23,156.34
		49,688.22	45,294.00
Non-Current Investments	13	4,27,207.23	4,46,044.22
Long-Term Loans and Advances	14	20,414.74	20,659.52
Other Non- current assets	15	7.00	16.00
		4,97,317.19	5,12,013.74
<b>CURRENT ASSETS</b>			
Current Investments	16	2,906.07	3,441.95
Trade Receivables	17	5,940.68	6,321.54
Cash and Cash Equivalents	18	210.90	1,713.41
Short-Term Loans and Advances	19	47,036.52	37,783.57
Other Current Assets	20	-	0.59
		56,094.17	49,261.06
<b>Total</b>		<b>5,53,411.36</b>	<b>5,61,274.80</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

**NIKHIL GANDHI**  
Chairman  
Din: 00030560

**Date : May 30, 2017**  
**Place : Mumbai**

**NILESH MEHTA**  
Company Secretary

**SHEKHAR GANDHI**  
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	Note No.	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>Revenue</b>			
Revenue from Operations	21	4.40	-
Other Income	22	259.31	420.42
<b>Total Revenue</b>		<u>263.71</u>	<u>420.42</u>
<b>Expenses</b>			
Cost of Operations	23	-	-
Employee Benefits Expenses	24	321.37	454.36
Finance Costs	25	8,817.86	15,145.88
Depreciation and Amortisation Expenses	12	54.41	118.10
Other Expenses	26	<u>5,987.05</u>	<u>1,424.86</u>
<b>Total Expenses</b>		<u>15,180.70</u>	<u>17,143.19</u>
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<b>(14,916.98)</b>	(16,722.77)
Exceptional Items (Refer Note no. 30)	30	<b>(2,063.48)</b>	(13,977.38)
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<b>(16,980.47)</b>	(30,700.15)
Extraordinary Items		-	-
<b>Profit / (Loss) before Tax</b>		<b>(16,980.47)</b>	(30,700.15)
Provision for deferred tax liability		<b>(0.43)</b>	
Tax Expenses: Earlier Years		<b>(153.36)</b>	(56.39)
<b>Profit / (Loss) for the period from Continuing Operations</b>		<b>(17,134.26)</b>	(30,756.54)
Tax Expenses of Discontinuing Operation		-	-
Profit / (Loss) for the period from Discontinuing Operations (After Tax)		-	-
<b>Profit / (Loss) for the period</b>		<u><b>(17,134.26)</b></u>	<u>(30,756.54)</u>
<b>Earnings Per Share of Rs. 10 each</b>	27		
- Basic and Diluted (Rs.)		<b>(7.91)</b>	(14.20)
<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 &amp; ASSOCIATES

Chartered Accountants

Firm Registration No. 101249W

BHARAT A. SHAH

(Proprietor)

Membership No. 32281

NIKHIL GANDHI

Chairman

Din: 00030560

Date : May 30, 2017

Place : Mumbai

NILESH MEHTA

Company Secretary

SHEKHAR GANDHI

Chief Financial Officer

## CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>A Cash Flow From Operating Activities</b>		
Net Profit /(Loss) before tax as per Profit & Loss Account	(17,134.26)	(30,756.55)
<b>Adjusted for:</b>		
Depreciation	54.46	118.10
Interest Income	(254.62)	(273.49)
Dividend Income	(0.97)	(25.85)
Interest & Financial Charges	8,817.86	15,145.88
Miscellaneous Expenditure Written Off	9.00	9.00
Residual value written off	13.21	79.60
Loss on sale of Fixed Assets	0.77	1.76
Profit on sale of Fixed Assets	-	-
Investment in Subsidiaries Written off	401.43	-
Loss on Sale of Investments including Exceptional Items	6,839.55	14,707.07
<b>Operating profit before working capital changes</b>	<b>(1,253.56)</b>	<b>(994.47)</b>
<b>Adjusted for:</b>		
Trade & Other Receivables	(8,626.73)	11,614.93
Trade Payables, Creditors & Provisions	5,737.78	(788.57)
<b>Cash Generated From Operations</b>	<b>(4,142.51)</b>	<b>9,831.89</b>
Provision for tax	-	-
<b>Net Cash used in Operating Activities</b>	<b>(4,142.51)</b>	<b>9,831.89</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of fixed assets & Capital Work-in-Progress	(4,467.32)	(4,369.13)
Sale of fixed assets	4.65	22.25
Purchase of Investments	-	(81.00)
Sale of Investments	12,132.27	39,607.43
Dividend Income	0.60	25.55
Interest Income	254.62	273.49
<b>Net Cash Flow used in Investing Activities</b>	<b>7,924.82</b>	<b>35,478.58</b>
<b>C Cash Flow From Financing Activities</b>		
Long Term Borrowing	6,894.99	34,875.00
Repayment of Long Term Borrowing	(4,725.12)	(60,793.21)
Short Term Borrowings (Net)	(229.00)	(5,783.05)
Interest & Financial Charges	(7,225.70)	(12,604.90)
<b>Net Cash flow from Financing Activities</b>	<b>(5,284.82)</b>	<b>(44,306.16)</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	<b>(1,502.50)</b>	<b>1,004.31</b>
<b>Cash &amp; Cash equivalents (Opening)</b>	<b>1,713.40</b>	<b>709.09</b>
<b>Cash &amp; Cash equivalents (Closing)</b>	<b>210.90</b>	<b>1,713.40</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 BHARAT SHAH & ASSOCIATES**

Chartered Accountants  
Firm Registration No. 101249W

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

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

**NIKHIL GANDHI**  
Chairman  
Din: 00030560

**Date : May 30, 2017**  
**Place : Mumbai**

**NILESH MEHTA**  
Company Secretary

**SHEKHAR GANDHI**  
Chief Financial Officer

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

**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 excludes service tax
- 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.



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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

**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

**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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	As At March 31, 2017	As At March 31, 2016
<b>NOTE - 2</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
91,00,00,000 Equity Shares of Rs. 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 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, 2017		As at March 31, 2016	
	No. of Shares	Amount	No. of Shares	Amount
No. of shares at the beginning of the year	21,65,71,232	21,657.12	21,65,71,232	21,657.12
Add: Shares issued during the year				
No. of shares at the end of the year	21,65,71,232	21,657.12	21,65,71,232	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, 2017		As at March 31, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Metropolitan Industries	8,30,07,828	38.32	8,74,10,539	40.36
Montana Infrastructure Ltd	3,23,48,791	14.94	3,48,48,791	16.09
Ashoka Investment Holdings Private Ltd	1,12,76,659	5.21	1,12,76,659	5.21
SREI Infrastructure Finance Limited	1,76,66,820	8.16	1,76,66,820	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, 2017	As at March 31, 2016
<b>NOTE - 3</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
Balance as per last Balance Sheet	9,400.17	17,911.17
Less: Redemption Premium on Redeemable Non Convertible Bonds	7,986.00	8,511.00
	1,414.17	9,400.17
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	3,15,530.25	3,15,530.25
Less: Merger Expenses	-	-
	3,15,530.25	3,15,530.25
<b>Surplus</b>		
Balance as per last Balance Sheet	(57,351.17)	(26,594.62)
Profit/(Loss) during the year	(17,134.26)	(30,756.54)
Amount available for appropriation	(74,485.43)	(57,351.17)
Less: Appropriations		
Depreciation retain earnings	-	-
	(74,485.43)	(57,351.17)
	<b>2,42,458.99</b>	<b>2,67,579.25</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**NOTE - 4**

<b>Particulars</b>	<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
<b>LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
Term Loan from Bank	39,222.73	44,030.28
Term Loan from a Financial Institution	24,870.00	22,460.00
Inter Corporate Deposits	-	100.20
Vehicle Loans	<u>32.68</u>	<u>49.17</u>
	64,125.41	66,639.65
<b>UNSECURED</b>		
175 Nos.(previous year 175 Nos) 0.01% (previous year 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	<u>11,500.00</u>	<u>11,500.00</u>
	1,11,900.00	1,11,900.00
<b>Total</b>	<b><u>1,76,025.41</u></b>	<b><u>1,78,539.65</u></b>

**4.1** Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs. 18,610.68 Lacs included in current maturities of long term debt in Note No. 9 are secured as under:

- i) Term loan from Union Bank of Rs. 590.97 Lacs and accrued interest of Rs. 34.16 Lacs is outstanding as on 31.03.2017. The bank has declared the said loan as Non Performing Asset (NPA)
- ii) Term loan of Rs. 8,206.08 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 Rs. 33,098.73 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.
  - 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. 3,337.41 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 from Central Bank of Rs. 12,500 Lacs and accrued interest of Rs. 3,630.94 Lacs is outstanding as on 31.03.2017. The bank has declared the said loan as Non Performing Asset (NPA) and taken the possession of certain mortgaged property on 26.10.2016 comprising of land admeasuring 207.70 acres owned by other body corporate.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

vi) Rs. 24,870.00 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 3,12,11,397 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. 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 Rs. 18,610.68 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 :

Year	Amount in Lacs
2017-18	18,610.68
2018-19	3,739.47
2019-20	4,904.87
2020-21	31,512.27
2021-22	6,642.27
2022-23	7,666.09
2023-24	9,627.77

4.3 Vehicles Loans referred to above and Rs. 13.15 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 had issued 175 Nos 3% Redeemable Non Convertible Bonds of Rs. 1,00,00,000 each during the year 2011-12 and the terms for the said bonds has been changed by mutual agreement between the parties during the current financial year as to 175 Nos. 0.01% Redeemable Non-Convertible Bonds of Rs. 1,00,00,000 each redeemable for a further period of 5 years from the date of maturity and 829 Nos. 0% Redeemable Non Convertible Bonds of Rs. 1,00,00,000 each during the year 2012-13 for the period of 5 years from the date of allotment.

4.5 As on March 31<sup>st</sup> 2017, the Company has overdue of Rs. 14,286.65 Lacs and Rs. 5,254.36 Lacs towards principal and interest amount respectively.

**Particulars****As At March 31, 2017****As At March 31, 2016****NOTE - 5****OTHER LONG TERM LIABILITIES**

Redemption Premium Payable on Redeemable Non Convertible Bonds

35,472.29	27,486.29
<b>35,472.29</b>	<b>27,486.29</b>

**NOTE - 6****LONG-TERM PROVISIONS**

Provision for Gratuity

18.38	17.37
<b>18.38</b>	<b>17.37</b>

**NOTE - 7****SHORT- TERM BORROWINGS****SECURED**

-From Bank

-

**Term Loan:**

-From Financial Institution

-

Inter Corporate Deposits

229.00

229.00

**UNSECURED**

Term Loan from a Bank

-

Inter Corporate Deposits

- Related Parties (Refer Note No.31)

390.00

- Others

3,700.00

**Total**

3,700.00	4,290.00
<b>3,700.00</b>	<b>4,519.00</b>

7.1 As on March 31<sup>st</sup> 2017, the Company has overdue of Rs. 943.99 Lacs towards interest amount

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**NOTE - 8**

**Particulars**

**As at March 31, 2017**

**As at March 31, 2016**

**TRADE PAYABLES**

Due to Micro, Small and Medium Enterprises

Due to Others

-

68.98

-

437.18

68.98

68.98

437.18

437.18

**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, 2017	March 31, 2016
(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 - 9**

**OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debts

Advance Received

Interest Accrued & Due on loans

Interest Accrued but not due on loans

Other Payables

-Statutory Dues

-Others

18,623.82

31,913.80

6,193.96

828.10

3,130.37

13,263.11

3,372.67

12,796.05

16,393.48

2.08

Unpaid Dividend

**Total**

**73,955.24**

13,349.70

26,026.35

4,552.65

877.25

16,168.72

2.87

60,977.53

**NOTE - 10**

**SHORT- TERM PROVISIONS**

Provision for Gratuity

Provision for Wealth Tax

50.92

3.60

**Total**

**54.52**

57.81

3.60

61.41

**NOTE - 11**

**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

- Related to Fixed Assets

0.43

0.43

-

-

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

## NOTE - 12

## FIXED ASSETS

(Amount in Rupees)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01.04.2016	Additions	Deductions / Adjustments #	As at 31.03.2017	Up To 01.04.2016	For The Period	Deductions / Adjustments	Up To 31.03.2017	As at 31.03.2017	As at 01.04.2016
<b>Tangible Assets</b>										
Leasehold Land	-	-	-	-	-	-	-	-	-	-
Freehold Land	2,19,45,39,438	-	-	2,19,45,39,438	-	-	-	-	2,19,45,39,438	2,19,45,39,438
Furniture & Fixtures	90,62,751	-	1,91,809	88,70,942	81,77,778	4,85,042	-	86,62,820	2,08,122	8,84,973
Office Equipments	1,70,01,653	93,051	36,318	1,70,58,386	1,64,75,517	2,43,981	-	1,67,19,499	3,38,888	5,26,136
Vehicles	12,72,80,266	2,66,094	53,49,127	12,21,97,233	10,96,03,439	46,48,233	37,13,389	11,05,38,283	1,16,58,950	1,76,76,827
<b>Total</b>	<b>2,34,78,84,108</b>	<b>3,59,145</b>	<b>55,77,254</b>	<b>2,34,26,65,999</b>	<b>13,42,56,734</b>	<b>53,77,257</b>	<b>37,13,389</b>	<b>13,59,20,602</b>	<b>2,20,67,45,398</b>	<b>2,21,36,27,374</b>
<b>Intangible Assets</b>										
Computer Softwares*	7,38,491	-	-	7,38,491	6,00,529	68,968	-	6,69,497	68,994	1,37,962
<b>Total</b>	<b>7,38,491</b>	<b>-</b>	<b>-</b>	<b>7,38,491</b>	<b>6,00,529</b>	<b>68,968</b>	<b>-</b>	<b>6,69,497</b>	<b>68,994</b>	<b>1,37,962</b>
<b>Grand Total</b>	<b>2,34,86,22,599</b>	<b>3,59,145</b>	<b>55,77,254</b>	<b>2,34,34,04,490</b>	<b>13,48,57,263</b>	<b>54,46,225</b>	<b>37,13,389</b>	<b>13,65,90,099</b>	<b>2,20,68,14,392</b>	<b>2,21,37,65,336</b>
<b>Previous Year</b>	<b>2,40,43,80,714</b>	<b>89,51,193</b>	<b>6,47,09,308</b>	<b>2,34,86,22,599</b>	<b>13,44,56,502</b>	<b>1,18,14,633</b>	<b>1,14,13,872</b>	<b>13,48,57,262</b>	<b>2,21,37,65,337</b>	<b>2,26,99,24,212</b>

\* Other than internally generated

1. During the year, fixed assets costing Rs. 42,55,835/- were sold and is deducted from the Gross Block.

2. During the year, residual value in the fixed assets whose remaining useful life had become nil totalling to Rs. 13,21,415/- were written off which are deducted from the Gross Block.

3. Out of total depreciation of Rs. 54,46,225/-, an amount of Rs. 5198/- is transferred to Capital Work in Progress and balance of Rs. 54,41,027/- has been charged to Profit &amp; Loss Account.

## Particulars

Number of shares  
March 31, 2017    March 31, 2016    As At    As At  
March 31, 2017    March 31, 2016    March 31, 2017    March 31, 2016

## NOTE - 13

## NON - CURRENT INVESTMENTS

## Long Term Investment ( Trade )

## In Equity shares of Subsidiary Companies

## Unquoted - Fully Paid up

SKIL-Himachal Infrastructure and Tourism Limited of

Rs. 10/- each.

5,00,00,000    5,00,00,000    6,715.86    6,715.86

SKIL Shipyard Holdings Private Limited of Rs. 10/- each

50,000    50,000    12,015.41    12,015.41

SKIL (Singapore) Pte Limited of Singapore \$ 1/- each

1,63,322    1,63,322    50.25    50.25

SKIL Advanced Systems Private Limited of Rs. 10/- each

50,000    50,000    5.00    5.00

Energy India Corporation Ltd. of Rs. 10/- each

-    40,14,300    -    401.43

Gujarat-Dwarka Portwest Limited of Rs. 10/- each

7,03,33,314    7,03,33,314    38,426.48    38,426.48

(Earlier known as Gujarat Positra Port Company Ltd.)

Merotech Technology Park Private Limited of Rs. 10/- each

2,00,000    2,00,000    75.70    75.70

Navi Mumbai SMART CITY Infrastructure Ltd. of Rs. 10/- each

25,02,783    25,02,783    250.28    250.28

(Earlier known as Mahakaleshwar Knowledge Infrastructure Pvt Ltd)

Chiplun FTWZ Private Limited of Rs. 10/- each

4,67,99,970    4,67,99,970    27,484.63    27,484.63

## Unquoted - Partly Paid up

Pipavav Electronic Warfare Systems Pvt. Ltd. of Rs. 10/- each, Rs. 2/- paid up

50,000    50,000    1.00    1.00

(Earlier known as SKIL Strategic Deterrence Systems Pvt. Ltd.)

**Total (A)**

**85,024.61    85,426.04**

## In Equity Shares of Associate Companies

## Quoted Fully Paid up

Reliance Defence and Engineering Limited of Rs. 10 Each (Earlier known as Pipavav Defence and Offshore Engineering Company Ltd.)

17,59,52,263    19,38,77,041    1,68,026.96    1,85,144.37

## Unquoted Fully Paid up

Rosoboronservice (India) Limited of Rs. 10/- each

13,500    13,500    81.00    81.00

Urban Infrastructure Holdings Private Limited of Rs. 10/- each

12,41,56,500    12,41,56,500    1,06,365.14    1,06,365.14

**Total (B)**

**2,74,473.09    2,91,590.51**



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

			(Rs. in Lacs)	
Particulars	Number of shares		As At	As At
<b>In Equity Shares of Joint Venture Compnay- Unquoted</b>				
Sohar Free Zone LLC of OMR 1/- each	7,55,245	7,55,245	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 Rs. 10/- each	28,94,796	33,06,591	9,266.23	10,584.38
<b>Total (D)</b>			<b>9,266.23</b>	<b>10,584.38</b>
<b>In Equity Shares of Other Companies Unquoted Fully Paid up</b>				
Mumbai SEZ Limited of Rs. 10/- each	14,64,08,090	14,64,08,090	42,627.11	42,627.11
Donyi Polo Petrochemicals Limited of Rs. 10/- each	26,25,500	26,25,500	227.48	227.48
Karanja Terminal & Logistics Pvt. Ltd. of Rs. 10 Each	24,500	24,500	2.45	2.45
Shriram New Horizons Ltd. of Rs. 10/- each (Earlier known as New Horizons India Ltd.)	50,00,000	50,00,000	4,500.00	4,500.00
<b>Total (E)</b>			<b>47,357.04</b>	<b>47,357.04</b>
<b>Unquoted Fully Paid Up - Others</b>				
Fastlane Distriparks & Logistics Limited's Trust	59,34,328	59,34,328	3,857.31	3,857.31
Horizon Country Wide Logistics Limited's Trust	93,08,160	93,08,160	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>4,27,207.23</b>	<b>4,46,044.21</b>

**12.1 Details of shares pledged :**

- (a) Investment in Everonn Education Limited includes 28,94,796 (Previous Year 33,06,591) shares pledged with the lenders of subsidiaries of an associate Out of which 11,18,640 Shares have been Invoked by Lender of subsidiaries of an associates of the company
- (b) Investment in Reliance Defence and Engineering Ltd. includes
  - 11,64,05,500 ( Previous Year 12,27,55,500) shares pledged with the lenders of an associate of the Company,
  - 3,93,90,826 (Previous Year 3,93,90,826) shares pledged with lenders of the Company.
  - 2,01,55,937 (Previous Year 3,17,30,715) share pledged with lenders of a subsidiaries of an associate Company, Out of which Pledge on 84,15,327 (Previous Year 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 Investment in Energy India Corporation has been written off during the year under consideration as the company has filed an application for closure with the ROC**

**12.4 Aggregate Value of: -**

Particulars	As At March 31, 2017	As At March 31, 2016
Quoted Investments		
Book Value	1,77,293.18	1,95,728.75
Market Value	1,27,594.12	1,32,409.03
Unquoted Investments		
Book Value	2,49,914.04	2,50,315.47
<b>NOTE - 14</b>		
<b>LONG-TERM LOANS AND ADVANCES</b>		
(Unsecured and Considered Good)		
Capital Advance	6,846.04	6,846.04
Advance Given to related parties	10,359.74	10,607.17
Deposits		
-Others	1,429.09	1,428.25
Advance Tax (Net)	1,779.87	1,778.05
<b>Total</b>	<b>20,414.74</b>	<b>20,659.51</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

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

<b>Name of the Related Party</b>	<b>Relationship</b>	<b>-</b>	<b>-</b>
Navi Mumbai SMART CITY Infrastructure Ltd (Earlier known as Mahakaleshwar Knowledge Infrastructure Pvt Ltd)	Subsidiary	9,743.73	9,825.40
Nikhil P. Gandhi HUF	KMP having significant influence	365.82	390.88
Bhavesh P. Gandhi HUF	KMP having significant influence	250.18	390.88
	<b>Total</b>	<b>10,359.74</b>	<b>10,607.17</b>

**NOTE - 15****OTHER NON CURRENT ASSETS**

Preliminary Expenses		7.00	16.00
	<b>Total</b>	<b>7.00</b>	<b>16.00</b>

<b>Number of Shares</b>		<b>As At</b>	<b>As At</b>
<b>March 31,2017</b>	<b>March 31,2016</b>	<b>March 31,2017</b>	<b>March 31,2016</b>
		(Rs. in Lacs)	(Rs. in Lacs)

**NOTE - 16****CURRENT INVESTMENTS****In Equity Shares****Quoted Fully Paid up**

Batliboi Ltd. of Rs. 5/- each	41,000	41,000	9.64	9.64
BF Utilities 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 Valley Fertilizers & Chemicals Ltd. of Rs. 10/- each	1,000	1,000	0.96	0.96
Gulf Oil Corporation Ltd of Rs. 2/- each	3,525	3,525	2.83	2.83
Gulf Oil Lubricants India Ltd 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 Housingfina Corporation Ltd. of Rs. 10/- each	500	500	0.43	0.43
B.A.G. Films and 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 (Previous year Rs. 10/- each)	25,980	25,980	50.05	50.05
Gitanjali Gems Ltd. of Rs. 10/- each	5,311	5,311	13.18	13.18
DS Kulkarni 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	552	276	0.70	0.70
BF Investment Ltd of Rs. 5/- each	200	200	3.30	3.30

**In Units****Quoted Fully Paid up**

Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan - Wholesale -Daily Dividend of Rs. 10/- each	47,927	47,927	4.87	4.81
Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan - Retail -Daily Dividend of Rs. 10/- each	13,741	10,795	1.39	1.08

**Unquoted Fully Paid up**

Urban Infrastructure Opportunities Fund of Rs. 60430/- (Previous Year Rs. 79930/-) each	2,750	2,750	2,751.13	3,287.38
	<b>Total</b>		<b>2,906.07</b>	<b>3,441.95</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**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: -**

<b>Particulars</b>	<b>As At March 31, 2017</b>	<b>As At March 31, 2016</b>
Quoted Investments		
Book Value	<b>151.64</b>	154.57
Market Value	<b>174.11</b>	164.99
Unquoted Investments		
Book Value	<b>2,754.43</b>	3,287.38

<b>Particulars</b>	<b>As At March 31, 2017</b>	<b>As At March 31, 2016</b>
<b>NOTE - 17</b>		
<b>TRADE RECEIVABLES</b>		
(Unsecured & Considered Good)		
Outstanding for more than Six months	5,940.68	6,321.54
Others	-	-
<b>Total</b>	<b>5,940.68</b>	<b>6,321.54</b>

<b>NOTE - 18</b>			
<b>CASH AND CASH EQUIVALENTS</b>			
Balance with Banks in current account	0.50	1,527.62	
Balance with Banks in deposit account	207.39	159.26	
Cheques in hand	-	-	
Balance with Banks in dividend account	2.09	2.87	
Cash on hand	0.92	23.65	
<b>Total</b>	<b>210.90</b>	<b>1,713.42</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	36,811.53	27,084.91	
-Directors and Other Officers	42.16	50.72	
-Others			
Considered Good	10,182.83	10,638.24	
Considered Doubtful	31.50	31.50	
	47,068.02	37,805.37	
Less : Provision for Doubtful Debts	31.50	31.50	
	47,036.52	37,773.87	
Deposits:			
-Related Parties	-	-	
-Others	-	9.70	
	-	9.70	
Advance Income Tax ( Net )	-	-	
<b>Total</b>	<b>47,036.52</b>	<b>37,783.57</b>	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

19.1 Details of advances or deposits to a director and private limited companies in which some of the directors are interested in the Company as a director or member.

Debts due by	Nature of Relationship	As At March 31, 2017	As At March 31, 2016
Energy India Corporation Ltd	Subsidiary	-	26.10
Gujarat-Dwarka Portwest Ltd (Earlier known as Gujarat Positra Port Co.Ltd.)	Subsidiary	13,787.47	9,547.04
SKIL Advanced Systems Pvt.Ltd.	Subsidiary	435.01	433.68
SKIL Shipyard Holdings Private Limited	Subsidiary	1,089.32	543.59
SKIL (Singapore) Pte Limited	Subsidiary	10,814.24	13,695.92
Pipavav Electronic Warfare Systems Private Limited (Earlier known as SKIL Strategic Deterrence Systems Pvt. Ltd.)	Subsidiary	40.29	35.57
Metrotech Technology Park Pvt. Ltd.	Subsidiary	538.46	537.42
Reliance Defence and Engineering Ltd	Associate	331.89	316.61
Rosoboronservic (India) Ltd.	Associate	943.00	893.00
E Complex Private Limited		3,337.15	-
Mahakaleshwar Knowledge Infrastructure Pvt. Ltd.	Private Limited Company in which Directors are interested	-	-
Pipavav Marine Offshore Ltd.		1,129.80	1,055.97
Reliance Engineering & Defence Services Ltd		4,364.90	-
<b>Total</b>		<b>36,811.53</b>	<b>27,084.91</b>
<b>Loans &amp; Advances to Directors and other Officers</b>			
Mr. Sudipan Bhaduri	Chief Financial Officer	41.56	47.81
Mr. Nilesh Mehta	Company Secretary	0.60	2.91
<b>Total</b>		<b>42.16</b>	<b>50.72</b>

## NOTE - 20

## OTHER CURRENT ASSETS

Other Receivables	-	0.59
<b>Total</b>	<b>-</b>	<b>0.59</b>

## Particulars

For the year ended March 31, 2017      For the year ended March 31, 2016

## NOTE - 21

## REVENUE FROM OPERATIONS

Income from Operations	-	-
Other Operating Revenue	4.40	-
<b>Total</b>	<b>4.40</b>	<b>-</b>

## NOTE - 22

## OTHER INCOME

Dividend Income from other than Subsidiary on		
-Current Investments	0.97	25.85
Profit On Sale Of Fixed Asset	3.72	-
Interest Income	254.62	273.49
Gain on foreign exchange difference	-	121.05
Miscellaneous Income	-	0.03
<b>Total</b>	<b>259.31</b>	<b>420.42</b>

## NOTE - 23

## COST OF OPERATIONS

Operational Expenses	-	-
	-	-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**NOTE - 24**

**EMPLOYEE BENEFITS EXPENSES**

Salaries and Wages	317.72	441.97
Contribution to Provident fund and Other Fund	1.50	1.86
Staff Welfare	1.15	1.50
Gratuity & Leave Encashment Expenses	1.00	9.03
<b>Total</b>	<b>321.37</b>	<b>454.36</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>2016-17</b>	<b>2015-16</b>
Employers Contribution to Provident Fund	0.69	0.95
Employers Contribution to Pension Fund	0.66	0.73
<b>Total</b>	<b>1.35</b>	<b>1.68</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.

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Defined Benefit Obligation at beginning of the year	75.18	73.63
Current & Past Service Cost	1.20	1.51
Current Interest Cost	3.70	3.87
Past Service Cost (Non -vested Benefits)	-	-
Actuarial (Gain) / Loss	(10.79)	(1.09)
Liabilities assumed on Acquisition (settled on Divestiture)	-	1.13
Benefits paid	-	(3.88)
Defined Benefit Obligation at the end of the year	69.30	75.18

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

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Fair Value of Plan Assets at the end of the year	-	-
Defined Benefit Obligation at end of year	69.30	75.18
Liabilities recognized in the Balance Sheet	69.30	75.18

- c) Expenses recognized during the year

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Current & Past Service Cost	1.20	1.51
Interest Cost	3.70	3.87
Past Service Cost (Non -vested Benefits)	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	(10.79)	(1.09)
Net Cost Recognised in Profit and Loss Account	(5.89)	4.29

- d) Assumptions used to determine the defined benefit obligations

<b>Particulars</b>	<b>2016-17</b>	<b>2015-16</b>
Mortality Table (LIC)	LIC (1994-96)Ultimate	
Discount Rate (p.a.)	6.75%	7.80%
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.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>NOTE - 25</b>		
<b>FINANCE COST</b>		
Interest Expenses	8,817.86	15,132.22
Other Borrowing Costs	-	13.66
<b>Total</b>	<b>8,817.86</b>	<b>15,145.88</b>

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>NOTE - 26</b>		
<b>OTHER EXPENSES</b>		
Advertisement & Business Promotion Expenses	51.99	12.97
Bank Charges & Commission	0.93	1.74
Rent	153.39	73.80
Rates and Taxes	6.45	24.91
Printing and Stationery	3.66	7.98
Postage, Courier & Communication Expenses	16.63	19.60
Repair and Maintenance - Other	15.53	16.80
Manpower & Security Charges	6.10	17.05
Travelling, Conveyance & Vehicle Expenses	44.93	73.85
Legal and Professional Charges	54.73	116.23
Loss on Sale of Fixed assets	-	1.76
Loss on Sale of Investment	4,776.07	729.69
Administrative, Office Expenses & Other expenses	180.50	125.97
Investment in Subsidiary written off	401.43	6.50
Payment to Auditors (Refer Note No. 26.1)	25.88	25.88
Prior Period Expenses	4.03	55.62
Donation	4.00	0.10
Preliminary, Pre-Operative & Share issue expenses written off	9.00	9.00
Sitting Fees to Directors	5.97	7.98
Insurance Charges	1.58	2.07
Interest on TDS & Service Tax	223.58	95.36
Penalty on Mvat	0.67	-
<b>Total</b>	<b>5,987.05</b>	<b>1,424.86</b>

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

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Audit Fees	17.50	17.50
Tax Audit Fees	2.50	2.50
Internal Financial Control Audit fees	1.50	1.50
Certification Charges	1.00	1.00
Service Tax	3.38	3.38
<b>Total</b>	<b>25.88</b>	<b>25.88</b>

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

Particulars	2016-2017	2015-2016
Net Profit / (Loss) after Tax (Rs. In Lacs)	(17,134.26)	(30,756.55)
Amount available for calculation of Basic & Diluted EPS (Rs. In Lacs)	(17,134.26)	(30,756.55)
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	(7.91)	(14.20)



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**NOTE - 28**

**CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	2016-2017	2015-2016
<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		
-Joint Venture	-	-
-Others	13,93,628.00	13,89,328.25
(ii) Income Tax Demands not acknowledged as debts	3,002.11	2,195.30
(iii) Suit filed against the Company not acknowledged as debt	2,126.49	41.49
<b>b. Uncalled liability on partly paid-up share</b>	<b>4.00</b>	<b>4.00</b>

**c. Capital Commitments:**

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances) as at March 31, 2017 is NIL (Previous year NIL).

**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 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 Item for the year ended March 31, 2017 includes loss of Rs. 2063.48 Lacs (P.Y 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	Subsidiaries
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 (Struck off during the FY 2016-17)	
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 Company Ltd)	
SKIL Karnataka SEZ Limited	
SKIL Midivisana Engineering Private Limited	
SKIL Vision Aerial Solutions Private Limited (Struck off during the	
FY 2015-16)	
Pipavav Aero Infrastructure Pvt. Ltd.	
Orange Smart City Infrastructure Private Limited	
Jansampada Engineering Company Pvt. Ltd. (Earlier known as	
Jansampada Infraprojects Pvt. Ltd.	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Name of the related Party	Relationship
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.Bhaves P.Gandhi Mr. Ajay Khera Mr. Sudipan Bhaduri (upto August 2016) Mr. Nilesh Mehta	Key Management Personnel (KMP)
Pipavav Marine Offshore Limited E Complex Pvt. Ltd. Grevek Investments and Finance P. Ltd. Karanja Terminal & Logistics Private Limited Awaita Properties Pvt. Ltd. Reliance Engineering and Defence Services Limited Rhett Infraprojects Pvt.Ltd. Nikhil P. Gandhi HUF Bhaves P. Gandhi HUF M/s Metropolitan Industries	Enterprises over which Key Management Personnel are able to exercise significant influence.

## b. Transaction with Related Parties

(Rs. in Lacs)

Nature of Transaction	Subsidiary	Associates / Joint Venture	KMP	Enterprises over which KMP has significant influence	Total
<b>Investments</b>					
Investment - purchased during the year	-	-	-	-	-
Investment - sold during the year	-	17,117.41	-	-	17,117.41
Investments written off during the year	401.43	-	-	-	401.43
Balance as at 31st Mar, 2017	85,024.61	2,75,372.49	-	2.45	3,60,399.55
<b>Loans &amp; Advances</b>					
Advances Given	4,875.28	68.50	8.79	7,775.89	12,728.45
Advances Received Back	3,454.07	2.50	15.04	9,447.86	12,919.48
Advances as at 31st Mar, 2017	39,031.51	1,274.89	44.47	9,447.86	49,798.73
<b>Current Liabilities</b>					
Advances Received	10,883.89	-	-	14,243.80	25,127.69
Advances Refund back	7.67	-	-	6,841.58	6,849.25
Balance as at 31st Mar, 2017	16,999.91	-	-	17,437.87	34,437.78
<b>Redeemable Non Convertible Bonds</b>					
Balance as at the end of the year	-	-	-	1,00,400.00	1,00,400.00
Redemption premium payable	-	-	-	35,997.29	35,997.29
Refund back					
<b>Inter Corporate Deposit</b>					
Received	-	-	-	-	-
Refund back	-	-	-	390.00	390.00
Balance as at 31st Mar, 2017	-	-	-	11,500.00	11,500.00
Interest Expenses	-	-	-	525.00	525.00
Interest Income	-	15.28	-	226.75	242.03
Sale of Investments for Guarantees given to IIFL & JM Financial & Religare Finvest Ltd.	-	-	-	6,505.25	6,505.25
Receivable at the end of the year (Loan & Advance)	-	-	-	6,505.25	6,505.25
Corporate Guarantee Given o/s as at end of the year	95,800.00	12,42,028.00	-	53,500.00	13,91,328.00
Managerial Remuneration	-	-	141.00	-	141.00

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**c. Details of major transactions with related party**

		<b>2016-17</b>	<b>2015-16</b>
Investment - Purchased / Allotted during the year	Rosoboronservice (India) Limited	-	81.00
Investment - sold during the year	Reliance Defence and Engineering Limited	17,117.41	53,951.87
Investments written off during the year	Energy India Corporation Limited	401.43	-
	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	1,68,026.96	1,85,144.37
	Urban Infrastructure Holdings Pvt. Ltd.	1,06,365.14	1,06,365.14
	Rosoboronservic India Limited	81.00	81.00
Advances Received	SKIL Himachal Infrastructure & Tourism Limited	4,300.00	46.84
	SKIL Shipyard Holdings Pvt. Ltd.	6,583.89	-
	SKIL Advanced Systems Pvt.Ltd.	-	-
	Chiplun FTWZ Pvt. Ltd.	-	-
	E Complex Private Limited	-	7,213.56
	Grevek Investment & Finance Pvt.Ltd.	14,227.42	3,535.39
	Awaita Properties Pvt.Ltd.	14.15	90.30
	Metropolitan Industries	2.23	-
Refund of Advance	SKIL Himachal Infrastructure & Tourism Limited	1.65	2,934.42
	Chiplun FTWZ Pvt. Ltd.	6.02	15.28
	E Complex Private Limited	6,720.11	493.44
	Grevek Investment & Finance Pvt.Ltd.	105.85	222.35
	Awaita Properties Pvt.Ltd.	15.62	97.50
Advances at the end of the year	SKIL Himachal Infrastructure & Tourism Limited	8,110.29	846.82
	SKIL Shipyard Holdings Pvt. Ltd.	6,583.89	-
	Chiplun FTWZ Pvt. Ltd.	2,305.74	2,311.76
	E Complex Private Limited	-	6,720.11
	Grevek Investment & Finance Pvt.Ltd.	17,434.61	3,313.04
	Awaita Properties Pvt.Ltd.	1.03	2.50
	Metropolitan Industries	2.23	-
Redeemable Non convertible Bonds at the end of the year	Grevek Investments and Finance Pvt.Ltd.	1,00,400.00	1,00,400.00
Redemption Premium Payable	Grevek Investments and Finance Pvt.Ltd.	35,997.29	27,486.29
Inter-Corporate Deposit received	Grevek Investments and Finance Pvt.Ltd.	-	7,500.00
Inter-Corporate Deposit Repayment	Rhett Infraproject Pvt. Ltd.	390.00	-
Inter-Corporate Deposit at the end of the year	Grevek Investments and Finance Pvt.Ltd.	11,500.00	11,500.00
	Rhett Infraprojects Pvt.Ltd.	-	390.00
Advances Given	SKIL Himachal Infrastructure & Tourism Ltd.	3.79	-
	SKIL Shipyard Holdings Pvt. Ltd.	546.36	11,812.82
	Pipavav Electronic Warfare Systems Pvt. Ltd.	4.72	4.36
	Energy India Corporation Limited	45.60	1.76
	SKIL Advanced Systems Private Limited	1.33	29.45
	Metrotech Technology Park Pvt. Ltd.	1.04	0.02
	Navi Mumbai Smartcity Infrastructure Pvt. Ltd.	12.67	145.13
	Gujarat Dwarka Portwest Limited	4,259.77	3,517.33
	SKIL Karnataka SEZ Limited	-	0.18
	Reliance Defence and Engineering Limited	16.00	516.42
	Rosoboronservic India Limited	52.50	893.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

	Mr. Nilesh Mehta	0.04	-
	Mr.Sudipan Bhaduri	8.75	15.21
	Pipavav Marine Offshore Limited	73.83	198.51
	E Complex Pvt. Ltd.	3,337.15	-
	Reliance Engineering and Defence Services Limited	4,364.90	-
Advances received back	SKIL Himachal Infrastructure & Tourism Ltd.	0.26	-
	SKIL Shipyard Holdings Pvt. Ltd.	386.74	11,884.07
	SKIL Singapore Pte. Ltd	2,881.68	1,391.19
	Energy India Corporation Limited	71.70	0.36
	SKIL Advanced Systems Private Limited	-	33.51
	Navi Mumbai Smartcity Infrastructure Pvt. Ltd.	94.34	4.85
	Gujarat Dwarka Portwest Limited	19.35	140.03
	SKIL Karnataka SEZ Limited	-	10.23
	Reliance Defence and Engineering Limited	-	523.00
	Rosoboronservic India Limited	2.50	-
	Mr.Sudipan Bhaduri	15.00	-
	Pipavav Marine Offshore Ltd.	-	750.00
	E Complex Pvt. Ltd.	-	87.06
	Grevek Investment & Finance Pvt.Ltd.	-	0.38
	Nikhil Gandhi HUF	25.07	-
	Bhavesh Gandhi HUF	140.70	-
Advance Receivable at the end of the year	SKIL Himachal Infrastructure & Tourism Ltd.	2,968.65	-
	SKIL Shipyard Holdings Pvt. Ltd.	1,089.32	543.59
	SKIL Singapore Pte. Ltd.	10,814.24	13,695.92
	Pipavav Electronic Warfare Systems Pvt. Ltd.	40.29	35.57
	Energy India Corporation Limited	-	26.10
	SKIL Advanced Systems Private Limited	435.46	433.68
	Metrotech Technology Park Pvt. Ltd.	538.46	537.42
	Navi Mumbai Smartcity Infrastructure Pvt. Ltd.	9,743.73	9,825.40
	Gujarat Dwarka Portwest Limited	13,787.47	9,547.04
	Reliance Defence and Engineering Limited	331.89	316.61
	Rosoboronservic India Limited	943.00	893.00
	Mr. Nilesh Mehta	2.91	2.91
	Mr.Sudipan Bhaduri	41.56	47.81
	Pipavav Marine Offshore Ltd.	1,129.80	987.28
	E Complex Pvt. Ltd.	3,337.15	-
	Reliance Engineering and Defence Services Limited	4,364.90	-
	Nikhil Gandhi HUF	365.82	390.88
	Bhavesh Gandhi HUF	250.18	390.88
Interest Paid	Grevek Investments and Finance Pvt.Ltd.	525.00	525.00
Interest Income	Reliance Defence and Engineering Limited	-	68.69
	E Complex Private Limited	155.14	24.46
	Pipavav Marine Offshore Limited	71.60	211.05
<b>Sale of Investments for Guarantees given to :</b>			
IFCI	Pipavav Marine Offshore Limited	-	68.69
IIFL & JM financial Product Ltd.	E Complex Private Limited	2,140.35	-
Religare Finvest Limited	Reliance Engineering and Defence Services Limited	4,364.90	-

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

Receivable at the end of the year (Loan & Advance)	Pipavav Marine Offshore Limited	1,129.80	68.69
	E Complex Private Limited	3,337.15	-
	Reliance Engineering and Defence Services Limited	4,364.90	-
Corporate Guarantee Given o/s at the end of the year	SKIL Himachal Infrastructure & Tourism Ltd.	4,300.00	-
	Reliance Defence and Engineering Limited	12,42,028.00	12,42,028.00
	SKIL Shipyard Holdings Pvt. Ltd.	27,500.00	27,500.00
	Navi Mumbai Smartcity Infrastructure Pvt. Ltd.	24,500.00	24,500.00
	E Complex Pvt. Ltd.	27,000.00	27,000.00
	Chiplun FTWZ Pvt. Ltd.	2,500.00	2,500.00
	Gujarat Dwarka Portwest Company Limited	37,000.00	37,000.00
	Grevek Investments & Finance Pvt.Ltd.	8,500.00	8,500.00
	Reliance Engineering and Defence Services Limited	18,000.00	18,000.00
Managerial Remuneration	Mr. Ajay Khara	100.00	100.00
	Mr. Sudipan Bhaduri	5.00	60.00
	Mr. Nilesh Mehta	36.00	36.00

**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 :**

**Particulars**

	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
Travelling Expenses	11.55	19.21
<b>Total</b>	<b>11.55</b>	<b>19.21</b>

**NOTE - 34**

**Jointly Controlled Entity :**

<b>Name</b>	<b>Country of Incorporation</b>	<b>Ownership interest</b>	
		<b>As at March 31, 2017</b>	<b>As at March 31, 2016</b>
Sohar Free Zone LLC	Sultanate of Oman	27.18%	33.33%
<b>Particulars</b>		<b>As at December 31, 2016</b>	<b>As at December 31, 2015</b>
<b>Assets</b>			
- Long Term Assets		3,622.12	4,565.32
- Current Assets		3,651.77	1,318.91
<b>Liabilities</b>			
- Non Current Liabilities		3,318.50	2,809.56
- Current Liabilities & Provisions		2,014.14	2,334.24
<b>Income</b>		1,947.66	1,896.59
<b>Expenses</b>		1,380.60	1,956.96

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

**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, 2017</b>	As at March 31, 2016
Lease payments recognised in statement of profit and loss account for the year	153.39	73.80
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**

	<b>As at March 31, 2017</b>	As at March 31, 2016
Opening Balance	23,156.34	18,402.39
<u>Add : Addition During The Year</u>		
Depreciation	0.05	0.04
Interest	4,470.36	4,727.60
Rates & Taxes	(6.69)	26.31
Closing Balance	<b>27,620.06</b>	<b>23,156.34</b>

**Note 37 - DEALINGS IN SPECIFIED BANK NOTES**

The following table depicts the details with regards to Specified Bank Notes (SBNs) held and transacted during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 as provided in the table below:-

			Rs. in Lacs
<b>Particulars</b>	<b>SBNs</b>	<b>Other Denomination Notes</b>	<b>Total</b>
Closing Cash in hand as on 08.11.2016	-	0.29	0.29
(+) Withdrawal from bank accounts	-	0.85	0.85
(+) Permitted Receipts	-		
(-) Non-permitted receipts	-		
(-) Permitted Payments	-	0.21	0.21
(-) Non-permitted Payments	-		
(-) Amount deposited in Banks	-		
Closing cash in hand as on 30.12.2016	-	0.94	0.94

**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 30, 2017****Place : Mumbai****NILESH MEHTA****Company Secretary****FOR AND ON BEHALF OF THE BOARD OF DIRECTORS****NIKHIL GANDHI****Director****Din No.: 00030560****SHEKHAR GANDHI****Chief Financial Officer**



## 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 31<sup>st</sup> March, 2017, 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 31<sup>st</sup> March, 2017, 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.13,827.89 Lacs as at 31<sup>st</sup> March, 2017, total revenues of 0.02 Lacs and net cash outflows amounting to Rs.113.94 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. (12590.81 Lacs) for the year ended 31<sup>st</sup> March, 2017, 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 / financial information of one subsidiary whose financial statements / financial information reflects total assets (net) of Rs.10,745.21 Lacs as at 31<sup>st</sup> March, 2017, total revenues of Nil and net cash flows

outflows amounting to Rs.6.38 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

3. We did not audit the financial statements of one jointly controlled entity (Joint Venture), whose financial statements reflect total assets (net) of Rs.995.04 Lacs as at 31<sup>st</sup> December, 2016, total revenues of Rs. 1,946.84 Lacs and net cash inflows amounting to Rs.701.81 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, 2017, as such we have considered the financial data of this entity as on 31<sup>st</sup> December, 2016 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 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 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
  - (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.
    - iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer Note 38 to the financial statements.

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

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

**Date :May 30, 2017**  
**Place : Mumbai**

## **ANNEXURE “A” 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, 2017, 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, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **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**

**Date :May 30, 2017**

**Place : Mumbai**

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(Rs. in Lacs)

Particulars	Note No.	As At March 31, 2017	As At March 31, 2016
<b>I. EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS FUNDS</b>			
Share Capital	2	21,657.12	21,657.12
Reserves and Surplus	3	<u>1,15,783.16</u>	<u>1,56,166.00</u>
		1,37,440.28	1,77,823.12
<b>Minority Interest</b>		7,228.80	7,246.74
<b>NON CURRENT LIABILITIES</b>			
Long-Term Borrowings	4	2,57,102.49	2,54,931.54
Deffered Tax Liability	5	97.75	116.03
Other Non Current Liabilities	6	36,507.37	28,520.97
Long-Term Provisions	7	<u>23.86</u>	<u>21.27</u>
		2,93,731.47	2,83,589.81
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	8	27,371.38	29,713.00
Trade Payables	9	2,208.04	2,249.89
Other Current Liabilities	10	1,07,697.25	85,305.11
Short-Term Provisions	11	<u>54.52</u>	<u>61.41</u>
		1,37,331.1	1,17,329.41
<b>Total</b>		<u><b>5,75,731.74</b></u>	<u><b>5,85,989.08</b></u>
<b>II. ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Fixed Assets			
Tangible Assets	12	43,653.44	44,391.32
Intangible Assets		3.72	8.67
Capital Work in Progress		<u>87,960.06</u>	<u>70,907.81</u>
		1,31,617.22	1,15,307.80
Non-Current Investments	13	3,01,775.23	3,32,801.60
Long-Term Loans and Advances	14	20,079.92	20,130.84
Other Non current assets	15	<u>2,272.00</u>	<u>2,281.00</u>
		3,24,127.15	3,55,213.44
<b>CURRENT ASSETS</b>			
Current Investments	16	2,906.09	3,441.95
Trade Receivables	17	6,630.53	6,674.57
Cash and Bank Balances	18	3,447.89	3,045.95
Short-Term Loans and Advances	19	1,06,991.03	1,01,825.64
Other Current Assets	20	<u>11.83</u>	<u>479.73</u>
		1,19,987.37	1,15,467.84
<b>Total</b>		<u><b>5,75,731.74</b></u>	<u><b>5,85,989.08</b></u>
<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 30, 2017**

**Place : Mumbai**

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

**NIKHIL GANDHI**

**Chairman**

**Din No-00030560**

**NILESH MEHTA**  
**Company Secretary**

**SHEKHAR GANDHI**  
**Chief Financial Officer**

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

<b>Particulars</b>	<b>Note No.</b>	<b>For the year ended March 31, 2017</b>	<b>For the year ended March 31, 2016</b>
<b>Revenue</b>			
Revenue from Operations	21	1,928.15	1,873.72
Other Income	22	<u>2,372.28</u>	<u>2,522.30</u>
<b>Total</b>		<u><b>4,300.43</b></u>	<u>4,396.02</u>
<b>Expenses</b>			
Cost of Operations	23	-	-
Employee Benefits Expenses	24	894.56	1,083.62
Finance Costs	25	13,552.66	23,588.88
Depreciation and Amortisation Expenses	12	295.34	378.78
Other Expenses	26	6,594.17	2,755.68
<b>Total</b>		<u><b>21,336.73</b></u>	<u>27,806.96</u>
<b>Profit / (Loss) before Exceptional and Extraordinary Items and Tax</b>		<u><b>(17,036.30)</b></u>	<u>(23,410.94)</u>
<b>Exceptional Items (Refer Note no. 31)</b>		<u><b>(2,063.48)</b></u>	<u>(10,935.10)</u>
<b>Profit / (Loss) before Extraordinary Items and Tax</b>		<u><b>(19,099.78)</b></u>	<u>(34,346.04)</u>
Extraordinary Items			
<b>Profit / (Loss) before Tax</b>		<u><b>(19,099.78)</b></u>	<u>(34,346.04)</u>
Tax Expenses: Earlier Years		(153.36)	(56.39)
Deferred tax		<u>(0.43)</u>	
<b>Profit / (Loss) for the period from Continuing Operations</b>		<u><b>(19,253.57)</b></u>	<u>(34,402.43)</u>
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		17.94	20.89
Share of Profit of Associates		<u>(12,590.80)</u>	<u>(13,921.89)</u>
<b>Profit / (Loss) for the period</b>		<u><b>(31,826.43)</b></u>	<u>(48,303.43)</u>
<b>Earnings Per Share of Rs.10 each</b>	28		
- Basic and Diluted (Rs.)		(14.70)	(22.30)
<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****NIKHIL GANDHI****Chairman****Din No-00030560****Date : May 30, 2017****Place : Mumbai****NILESH MEHTA****Company Secretary****SHEKHAR GANDHI****Chief Financial Officer**



## CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
<b>A Cash Flow From Operating Activities</b>		
Net Profit /(Loss) before tax as per Profit & Loss Account	(19,099.78)	(34,346.04)
Adjusted for:		
Wealth Tax		-
Depreciation	295.34	378.78
Interest Income	(2,297.16)	(2,350.04)
Dividend Income	(0.97)	(25.85)
(Profit) / Loss on Sale of Fixed Assets (Net)	(3.72)	1.76
Interest & Financial Charges	13,552.66	23,588.89
Wealth Tax		
Miscellaneous Expenditure Written Off	9.00	9.00
Residual value written off	13.21	
Gain on Revaluation of fixed assets due to change in accounting policy	-	-
Balance Written off	445.13	-
Loss on Sale of Investments including Exceptional Items	6,839.55	11,664.79
<b>Operating profit before working capital changes</b>	<b>(246.74)</b>	<b>(1,078.71)</b>
Adjusted for:		
Trade & Other Receivables	(5,629.98)	(15,577.36)
Trade Payables ,Creditors & Provisions	4,735.68	(7,097.50)
<b>Cash Generated From Operations</b>	<b>(1,141.04)</b>	<b>(23,753.57)</b>
Direct Tax Paid	(155.08)	(4.32)
<b>Net Cash used in Operating Activities</b>	<b>(1,296.12)</b>	<b>(23,757.89)</b>
<b>B Cash Flow From Investing Activities</b>		
Proceed of Deposits matured	-	-
Fixed Deposits placed with Banks	-	-
Purchase of fixed assets & Capital Work-in-Progress	(16,605.71)	(14,604.39)
Sale of fixed assets & Capital Work-in-Progress	4.65	22.25
Purchase of Investments	-	(81.00)
Sale of Investments	12,132.25	63,779.37
Dividend Income	0.60	25.55
Interest Income	2,297.16	2,350.04
<b>Net Cash Flow used in Investing Activities</b>	<b>(2,171.06)</b>	<b>51,491.82</b>
<b>C Cash Flow From Financing Activities</b>		
Dividend Paid	-	-
Unpaid Dividend Paid		
Repayment of Long Term Borrowing (Net)	11,968.43	(4,746.82)
Short Term Borrowings (Net)	(2,341.62)	(8,209.25)
Interest & Financial Charges	(5,757.69)	(13,874.10)
<b>Net Cash flow from Financing Activities</b>	<b>3,869.11</b>	<b>(26,830.17)</b>
<b>Net increase/ (decrease) in cash &amp; cash equivalents</b>	<b>401.94</b>	<b>903.76</b>
<b>Cash &amp; Cash equivalents (Opening)</b>	<b>3,045.97</b>	<b>2,142.21</b>
<b>(Less): Upon Desubsidiarisation of Subsidiary</b>	<b>-</b>	<b>-</b>
<b>Cash &amp; Cash equivalents (Closing)</b>	<b>3,447.91</b>	<b>3,045.97</b>

AS PER OUR REPORT OF EVEN DATE

For BHARAT SHAH & ASSOCIATES

Chartered Accountants

Firm Registration No. 101249W

BHARAT A. SHAH

Proprietor

Membership No. 32281

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

NIKHIL GANDHI

Chairman

Din No-00030560

Date : May 30, 2017

Place : Mumbai

NILESH MEHTA

Company Secretary

SHEKHAR GANDHI

Chief Financial Officer

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

## 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, 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%
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 had strike off during the year and are considered for consolidation only up to the date of it applying for strike off:

Name of the Subsidiaries/Fellow Subsidiaries	Country of Incorporation	Percentage of Ownership Interest
Energy India Corporation Limited	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	23.90%
Rosoboronservice (India) Limited	Associate	India	20.00%
Sohar Free Zone LLC	Joint Venture	Sultanate of Oman	27.18%

\* 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, 2017, 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 exclusive 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, 2017**

(Rs. in Lacs)

Particulars	As At March 31, 2017	As At March 31, 2016
<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
NIL 0% Compulsory Convertible Preference Shares (CCPS) of Rs. 1,00,000 each (Previous year 20,000)	-	-
<b>Total</b>	<b>91,000.00</b>	<b>91,000.00</b>
<b>Issued and Subscribed</b>		
21,65,71,232 Equity Shares of Rs. 10 each (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>
<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, 2017		As at March 31, 2016	
	No. of Shares	(Rs in Lacs)	No. of Shares	(Rs in Lacs)
No. of shares at the beginning of the year	21,65,71,232	21,657.12	21,65,71,232	21,657.12
Add: Shares issued during the year				
- On Preferential basis	-	-	-	-
- Scheme of Amalgamation and Arrangement	-	-	-	-
No. of shares at the end of the year	<u>21,65,71,232</u>	<u>21,657.12</u>	<u>21,65,71,232</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, 2017		As at March 31, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Metropolitan Industries	8,30,07,828	38.33	8,74,10,539	40.36
Montana Infrastructure Ltd	3,23,48,791	14.94	3,48,48,791	16.09
SREI Infrastructure Finance Limited	1,76,66,820	8.16	1,76,66,820	8.16
Ashoka Investment Holdings Private Ltd	1,12,76,659	5.21	1,12,76,659	5.21

**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 proportionate to the number of equity share held by the shareholders.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>NOTE - 3</b>		
Balance as per last Balance Sheet	9,441.56	17,952.56
Less: Redemption Premium on Redeemable Non Convertible Bonds	<u>7,986.00</u>	<u>8,511.00</u>
	1,455.56	9,441.56
<b>Foreign Currency Translation Reserve</b>		
Balance as per last Balance Sheet	1,571.79	430.29
Add/ Less : During the year	<u>(597.69)</u>	<u>1,141.50</u>
	974.10	1,571.79

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
<b>Statutory Reserve</b>		
Balance as per last Balance Sheet	11.78	11.78
Add : Addition during the year	57.48	-
Less: Reversal due to reduction in share	<u>(0.72)</u>	<u>-</u>
	68.54	11.78
<b>Capital Reserve</b>		
Balance as per last Balance Sheet	2,44,312.80	2,44,287.32
Less: Reversal due to reduction in share	14.38	-
Add / Less: Goodwill	<u>6.12</u>	<u>25.48</u>
	2,44,333.31	2,44,312.80
<b>Surplus</b>		
Balance as per last Balance Sheet	(99,171.93)	(50,868.50)
Profit/(Loss) during the year	<u>(31,826.43)</u>	<u>(48,303.43)</u>
Amount available for appropriation	(1,30,998.36)	(99,171.93)
Add/(Less): Appropriations		
Reversal due to reduction in share	7.65	-
Miscellaneous expenses	(0.15)	-
Transfer to Statutory Reserve	(57.48)	-
Profit on Disposal of Investment in Subsidiary	-	-
	<u>(1,31,048.35)</u>	<u>(99,171.93)</u>
Less : Transfer to Capital Reserve as per scheme of Merger	-	-
	<u>(1,31,048.35)</u>	<u>(99,171.93)</u>
<b>Total</b>	<b><u>1,15,783.16</u></b>	<b><u>1,56,166.00</u></b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>NOTE - 4</b>		
<b>LONG TERM BORROWINGS</b>		
<b>SECURED</b>		
Term Loan from a Bank	-	-
Term Loan from Bank	42,632.42	41,717.51
Term Loan from a Financial Institution	66,170.00	59,460.00
Inter Corporate Deposits	13,680.00	18,340.20
Vehicle Loans	32.68	49.17
275 Nos. (previous year 275) 14% Secured NCD of Rs. 1,00,00,000 Each	<u>9,267.50</u>	<u>9,487.50</u>
	1,31,782.60	1,29,054.38
<b>UNSECURED</b>		
175 Nos. (previous year 175 Nos) 0.01% 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	11,500.00
- Others	<u>13,419.89</u>	<u>13,977.16</u>
	1,25,319.89	1,25,877.16
<b>Total</b>	<b><u>2,57,102.49</u></b>	<b><u>2,54,931.54</u></b>

4.1 Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs. 28,231.03 Lacs included in current maturities of long term debt in Note No. 10 are secured as under:

- i) Term loan Rs. 590.97 Lacs from Bank and accrued interest of Rs. 34.16 Lacs is outstanding as on 31.03.2017. The bank has declared the said loan as Non Performing Asset (NPA)
- ii) Term loan of Rs. 8,206.08 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.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

- 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 Rs. 33,098.73 Lacs from a Bank 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. 3,337.41 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 from Central Bank of Rs. 125,00.00 Lacs and accrued interest of Rs. 3,630.94 Lacs is outstanding as on 31.03.2017. The bank has declared the said loan as Non Performing Asset (NPA) and taken the possession of certain mortgaged property on 26.10.2016 comprising of land admeasuring 207.70 acres owned by other body corporate.
- vi) Term Loan of Rs. 194 Lacs from Bank is secured against fixed deposit with the Bank
- vii) Term Loan from Bank of Rs. 3215.70 Lacs is Secured by commercial mortgage, assignment of all receivables, all Insurance on the project, assignment of advance a payment guarantees and performance bonds from the construction contractors undertakings from Sohar Free Zone LLC.
- 4.2 i)** Rs. 2,48,70.00 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 3,12,11,397 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.
- ii) Term Loan of Rs. 4300 Lacs from Financial Institution is Secured by
  - First ranking pledge on 43,015,826 shares of Reliance Defence & Engineering Ltd. held by other Companies.
  - First ranking pledge on 31,211,384 shares of the company held by others.
  - First ranking Mortgage of SKIL House situated at 209, Bank street, Cross Lane, Mumbai 400 023 currently valued at Rs. 6000 Lacs together with fitting and fixture therein.
- iii) Term Loan of Rs. 37,000 Lacs From Financial Institution is secured by shares of Reliance Defence & Engineering Ltd owned by holding company & shares of holding company held by others and further secured by pledge of immovable properties of others body corporates and term loans referred to above are guaranteed by Holding company and two of the Directors of the holding company in his personal capacity. Loan carry interest rates ranging from 16.00% to 17.00%.
- 4.3** Inter Corporate Deposit of Rs. 13,680 Lacs is secured by :
  - First pari-passu charge by way of equitable mortgage of N.A. Land of Approx 200 acres owned by Navi Mumbai SMART CITY Infrastructure Private Limited.
  - Hypothecation of Plant & Machinery and Equipments. (UPTO 50%)
  - Above loan is also made by giving Collateral Security by Pledge of Shares held by Holding Company in its Subsidiary Company.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

- Above loan is guaranteed by one of the director of the Company in their personal capacity and Unconditional and Irrevocable Corporate Guarantee.
- 4.4 i) During the year the Company has partly redeemed 275 No's NCD by Rs. 80,000 /- per NCD resulting in reduction of Face Value of Rs. 34.50 Lacs to Rs. 33.70 Lacs per NCD. The said NCD is redeemable after 48 Months from the date of issue of the debenture, i.e. 22.01.2015
- ii) Above 275 Nos of 14% Secured Non convertible Debentures (NCD's) has been secured by way of:
- First charge on immovable property of other entity.
  - Pledge of 1,17,77,881 Nos of shares of Holding company held by promoter of the Holding Company
  - Pledge of 3,85,629 Nos Of Shares of Montana Infrastructure Ltd held by Other Entity
  - Pledge of 1950 Units of Urban Infrastructure Opportunity Fund Held by the Holding Company
  - Irrevocable and unconditional Personal Guarantee by Mr Nikhil Gandhi And Mr Bhavesh Gandhi
  - Corporate guarantee by Holding Company
- 4.5 i) Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs. 28,231.03 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	Amount in Lacs
2017-18	27,730.68
2018-19	8,299.47
2019-20	21,464.87
2020-21	65,372.27
2021-22	6,642.27
2022-23	7,666.09
2023-24	9,627.77

**Secured loan of Sohar Free Zone LLC(JV)**

Within One Year	500.36
Two to Five	2,500.83
After Five Years	714.87

- 4.6 Vehicles Loans referred to above and Rs. 13.15 Lacs included in current maturities of long term debts in Note No. 10 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.
- 4.7 The company had issued 175 Nos 3% Redeemable Non Convertible Bonds of Rs. 1,00,00,000 each during the year 2011-12 and the terms for the said bonds has been changed by mutual agreement between the parties during the current financial year as to 175 Nos. 0.01% Redeemable Non-Convertible Bonds of Rs. 1,00,00,000 each redeemable for a further period of 5 years from the date of maturity and 829 Nos. 0% Redeemable Non Convertible Bonds of Rs. 1,00,00,000 each during the year 2012-13 for the period of 5 years from the date of allotment.
- 4.8 As on March 31st 2017, the company has overdue of Rs. 19040.65 Lacs and interest amounting to Rs. 19541.31 Lacs towards principal and interest amount respectively.

**Particulars**

**As At**                      **As At**  
**March 31, 2017**      **March 31, 2016**

**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

97.75	116.03
-	-
<b>97.75</b>	<b>116.03</b>

**NOTE - 6****OTHER NON CURRENT LIABILITIES**

Redemption Premium Payable on Redeemable Non Convertible Bonds

Other Payables

35,472.29	27,486.29
1,035.08	1,034.68
<b>36,507.37</b>	<b>28,520.97</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

Particulars	As At March 31, 2017	As At March 31, 2016
<b>NOTE - 7</b>		
<b>LONG-TERM PROVISIONS</b>		
Provision for Gratuity	23.86	21.27
	<b>23.86</b>	<b>21.27</b>

Particulars	As at March 31, 2017	As at March 31, 2016
<b>NOTE - 8</b>		
<b>SHORT TERM BORROWINGS</b>		
<b>SECURED</b>		
-From Bank	-	5,194.00
-From Others	23,021.38	
<b>Term Loan:</b>		
-From Financial Institution	-	-
-Inter Corporate Deposits	-	20,229.00
	23,021.38	25,423.00
<b>UNSECURED</b>		
Inter Corporate Deposits		
- Related Parties (Refer Note No.32)	-	390.00
- Others	4,350.00	3,900.00
	4,350.00	4,290.00
<b>Total</b>	<b>27,371.38</b>	<b>29,713.00</b>

**8.1** Secured loans of Rs. 23,021.38 Lacs is secured by way of hypothecation of Book debts and other movable properties of the company.

**8.2** Inter Corporate Deposit of Rs. 6,50.00 Lacs received during the year is payable within a period of 180 days and carries interest of 12.5% p.a.

**8.3** The company has overdue of Rs. 23671.38 Lacs and Rs. 3147.36 Lacs towards principal and interest amount respectively.

Particulars	As at March 31, 2017	As at March 31, 2016
<b>NOTE - 9</b>		
<b>TRADE PAYABLES</b>		
Due to Micro, Small and Medium Enterprises	-	-
Due to Others	2,208.04	2,249.89
	2,208.04	2,249.89
	<b>2,208.04</b>	<b>2,249.89</b>

**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:

Sr. No.	Particulars	March 31, 2017	March 31, 2016
(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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

As at March 31, 2017

As at March 31, 2016

**NOTE - 10****OTHER CURRENT LIABILITIES**

Current Maturities of Long Term Debts	28,244.18	18,446.70
Advance Received	33,955.94	31,432.96
Interest Accrued & Due on loans	22,969.80	15,236.25
Interest Accrued but not due on loans	2,756.83	2,695.41
Creditor for Capital Expenditure	-	-
Other Payables	-	-
-Statutory Dues	4,141.84	3,889.57
-Others	15,626.57	13,601.35
	19,768.41	17,490.92
Unpaid Dividend	2.09	2.87
<b>Total</b>	<b>1,07,697.25</b>	<b>85,305.11</b>

**NOTE - 11****SHORT TERM PROVISIONS**

Provision for Gratuity	50.92	57.81
Provision for Wealth Tax	3.60	3.60
<b>Total</b>	<b>54.52</b>	<b>61.41</b>

**NOTE - 12****FIXED ASSETS**

(Amount in Rs.)

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION						NET BLOCK	
	As at 01.04.2016	Additions	Deductions / Adjustments #	Foreign Exchange Adj	As at 31.03.2017	Up To 01.04.2016	For The Period	Deductions / Adjustments	Foreign Exchange Adj	Up To 31.03.2017	As at 31.03.2017	As at 01.04.2016
<b>Tangible Assets</b>												
Freehold Land	40,997.23	-	-	-	40,997.23	-	-	-	-	-	40,997.23	40,997.20
Building	3,707.10	96.59	683.96	86.31	3,206.04	547.40	237.46	100.99	16.10	699.97	2,506.07	3,159.71
Furniture & Fixtures	118.29	-	2.27	0.04	116.06	103.07	8.08	0.33	0.04	110.86	5.21	15.22
Office Equipments	204.66	3.91	4.31	0.10	204.36	195.42	3.91	3.38	0.08	196.04	8.32	9.24
Vehicles	1,437.85	2.66	73.30	-	1,367.21	1,227.93	56.95	54.29	-	1,230.59	136.62	209.92
<b>Total</b>	<b>46,465.14</b>	<b>103.16</b>	<b>763.85</b>	<b>86.45</b>	<b>45,890.89</b>	<b>2,073.82</b>	<b>306.40</b>	<b>158.99</b>	<b>16.23</b>	<b>2,237.45</b>	<b>43,653.44</b>	<b>44,391.32</b>
<b>Intangible Assets</b>												
Computer Softwares*	7.38	-	-	-	7.38	6.01	0.69	-	-	6.69	0.69	1.38
Software	18.42	-	3.40	0.43	15.45	11.13	3.05	2.05	0.30	12.42	3.03	7.29
<b>Total</b>	<b>25.80</b>	<b>-</b>	<b>3.40</b>	<b>0.43</b>	<b>22.83</b>	<b>17.13</b>	<b>3.74</b>	<b>2.05</b>	<b>0.30</b>	<b>19.12</b>	<b>3.72</b>	<b>8.67</b>
<b>Grand Total</b>	<b>46,490.94</b>	<b>103.16</b>	<b>767.24</b>	<b>86.88</b>	<b>45,913.73</b>	<b>2,090.95</b>	<b>310.13</b>	<b>161.04</b>	<b>16.53</b>	<b>2,256.57</b>	<b>43,657.16</b>	<b>44,399.99</b>
<b>Previous Year</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>44,399.99</b>	<b>45,080.49</b>

\* Other than internally generated

# Deduction/ Adjustments

- During the year, fixed assets costing Rs. 42.56/- Lacs were sold and is deducted from the Gross Block & Depreciated till date on the same of Rs. 37.13/- Lacs is deducted from depreciation
- During the year, residual value in the fixed assets whose remaining useful life had become nil totalling to Rs. 13.21/- Lacs were written off which are deducted from the Gross Block.
- During the year Rs. 688.47/- Lacs is Reduced from Gross Block & Rs. 104.01/- Lacs deducted from Depreciation due to dilution in control of Jointly Controlled Entity
- During the year, assets of a subsidiary of Rs. 23.00/- Lacs is deducted from Gross Block & Rs. 19.90/- Lacs is Deducted from Depreciation due to strike off and desubsidiarization and subsequent transfer of assets at WDV to the Company
- Out of total depreciation of Rs. 310.13/- Lacs, an amount of Rs. 14.79/- Lacs is transferred to Capital Work in Progress and balance of Rs. 295.34/- has been charged to Profit & Loss Account.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

Particulars	Number of shares		As At	As At
	March 31,2017	March 31,2016	March 31, 2017	March 31, 2016
<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 Rs. 10 Each	12,41,56,500	12,41,56,500	1,06,364.67	1,06,364.67
Rosoboronservice (India) Limited	13,500	13,500	-	80.90
<b>Total (A)</b>			<u>1,06,364.67</u>	<u>1,06,445.57</u>
<b>In Equity Shares of Associate Companies</b>				
<b>Quoted Fully Paid up</b>				
Reliance Defence and Engineering Limited of Rs. 10 Each (Earlier known as Pipavav Defence and Offshore Engineering Co.Ltd.)	17,59,52,264	19,38,77,042	1,28,600.43	1,58,227.75
<b>Total (B)</b>			<u>1,28,600.43</u>	<u>1,58,227.75</u>
<b>In Equity Shares of Other Companies- Quoted Fully Paid Up</b>				
Everonn Education Ltd. of Rs. 10 Each	28,94,796	33,06,591	9,266.23	10,584.38
<b>Total (C)</b>			<u>9,266.23</u>	<u>10,584.38</u>
<b>In Equity Shares of Other Companies</b>				
<b>Unquoted Fully Paid Up</b>				
Mumbai SEZ Limited of Rs. 10 Each	14,64,08,090	14,64,08,090	42,627.11	42,627.11
Donyi Polo Petrochemicals Limited of Rs. 10 Each	26,25,500	26,25,500	227.48	227.48
Karanja Terminal & Logistics Pvt. Ltd. of Rs. 10 Each	24,500	24,500	2.45	2.45
Shriram New Horizons Ltd. of Rs. 10 Each (Formerly known as New Horizons India Ltd.)	50,00,000	50,00,000	4,500.00	4,500.00
<b>Total (D)</b>			<u>47,357.04</u>	<u>47,357.04</u>
<b>Unquoted Fully Paid Up - Others</b>				
Fastlane Distriparks & Logistics Limited's Trust	59,34,328	59,34,328	3,857.31	3,857.31
Horizon Country Wide Logistics Limited's Trust	93,08,160	93,08,160	6,329.55	6,329.55
<b>Total (E)</b>			<u>10,186.86</u>	<u>10,186.86</u>
<b>Total (A+B+C+D+E)</b>			<u>3,01,775.23</u>	<u>3,32,801.60</u>

**13.1 Details of shares pledged :**

- (a) Investment in Everonn Education Limited includes 28,94,796 (Previous Year 33,06,591) shares pledged with the lenders of subsidiaries of an associate Out of which 11,18,640 Shares have been Invoked by Lender of subsidiaries of an associates of the company
- (b) Investment in Reliance Defence and Engineering Ltd. includes
- 11,64,05,501 ( Previous Year 12,27,50,501) shares pledged with the lenders of an associate of the Company,
  - 3,93,90,826 (Previous Year 3,93,90,826) shares pledged with lenders of the Company.
  - 2,01,55,937 (Previous Year 3,17,30,715) share pledged with lenders of a subsidiaries of an associate Company, Out of which Pledge on 84,15,327 (Previous Year 1,26,73,913) shares have been Invoked by a lender
- (c) Certain Investment in Unquoted Equity shares of Associates & other companies are under pledge / negative lien with the lenders.

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

**13.3 Investment in Energy India Corporation has been written off during the year under consideration as the company has filed an application for closure with the ROC**

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

## 13.4 Aggregate Value of: -

Particulars	March 31, 2017	March 31, 2016
Quoted Investments		
Book Value	1,37,866.66	1,68,812.13
Market Value	1,27,594.12	1,32,409.03
Unquoted Investments		
Book Value	1,63,908.57	1,63,989.47

Particulars	As At March 31, 2017	As At March 31, 2016
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## NOTE - 14

## LONG-TERM LOANS AND ADVANCES

Capital Advance	15,846.04	15,846.04
(Unsecured and Considered Good)		
Advance Given	915.48	973.24
Deposits		
-Others	1,538.41	1,533.28
Advance Tax (Net)	1,779.99	1,778.27
<b>Total</b>	<b>20,079.92</b>	<b>20,130.84</b>

## NOTE - 15

## OTHER NON CURRENT ASSETS

Preliminary Expenses	7.00	16.00
Advance Given	2,265.00	2,265.00
	<b>2,272.00</b>	<b>2,281.00</b>

Particulars	Number of Shares		As At March 31, 2017 Rs. in Lacs	As At March 31, 2016 Rs. in Lacs
	March 31, 2017	March 31, 2016		

## NOTE - 16

## CURRENT INVESTMENTS

## In Equity Shares

## Quoted Fully Paid up

Batliboi 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



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

Particulars	Number of Shares		As At	As At
	March 31, 2017	March 31, 2016	March 31, 2017 Rs. in Lacs	March 31, 2016 Rs. in Lacs
Varun Industries Ltd. of Rs. 10 each	1,105	1,105	2.03	2.03
Rural Electrification Corporation Ltd. of Rs. 10 each	552	276	0.70	0.70
B F Investments Ltd of Rs. 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	4.87	4.81
Wholesale -Daily Dividend of Rs. 10 each				
Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan -	13,741	10,795	1.39	1.08
Retail -Daily Dividend of Rs. 10 each				
<b>Unquoted Fully Paid up</b>				
Urban Infrastructure Opportunities Fund of Rs. 60430/- (Previous Year Rs. 79930/-) each	2,750	2,750	2,751.13	3,287.38
<b>Total</b>			<b>2,906.09</b>	<b>3,441.95</b>

**16.1** Details of shares pledged :

- (a) Investment in Urban Infrastructure Opportunitites 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	As At
	March 31, 2017	March 31, 2016
Quoted Investments		
Book Value	154.94	154.57
Market Value	174.11	164.99
Unquoted Investments		
Book Value	2,751.13	3,287.38

Particulars	As at March 31, 2017	As at March 31, 2016
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**NOTE - 17**

**TRADE RECEIVABLES**

(Unsecured & Considered Good)

Outstanding for more than Six months	5,940.68	6,321.54
Others	689.85	353.03
<b>Total</b>	<b>6,630.53</b>	<b>6,674.57</b>

**NOTE - 18**

**CASH AND BANK BALANCES**

**Cash & Cash Equivalents**

Balance with Banks in current account	1,528.36	2,544.83
Dividend Account	2.09	2.87
Fixed Deposit with Bank	1,913.60	359.26
Cash on hand	3.84	138.99
<b>Total</b>	<b>3,447.89</b>	<b>3,045.95</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	As at March 31, 2017	As at March 31, 2016
<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	10,106.74	2,265.57
-Directors and Other Relatives	42.16	50.72
-Others		
Considered Good	96,839.87	99,495.39
Considered Doubtful	31.50	31.50
	<u>1,07,020.27</u>	<u>1,01,843.18</u>
Less : Provision for Doubtful Debts	<u>31.50</u>	<u>31.50</u>
	1,06,988.77	1,01,811.68
Deposits:		
-Related Parties	-	-
-Others	<u>2.26</u>	<u>13.96</u>
	2.26	13.96
<b>Total</b>	<b><u>1,06,991.03</u></b>	<b><u>1,01,825.64</u></b>
<b>NOTE - 20</b>		
<b>OTHER CURRENT ASSETS</b>		
Other Receivables	<u>11.83</u>	<u>479.73</u>
<b>Total</b>	<b><u>11.83</u></b>	<b><u>479.73</u></b>
<b>Particulars</b>	<b>For the year ended March 31, 2017 Rs. in Lacs</b>	<b>For the year ended March 31, 2016 Rs. in Lacs</b>
<b>NOTE - 21</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>Other Operating Revenue</b>		
Income from Operations	1,923.73	1,873.69
Other Operating Revenue	<u>4.42</u>	<u>0.03</u>
<b>Total</b>	<b><u>1,928.15</u></b>	<b><u>1,873.72</u></b>
<b>NOTE - 22</b>		
<b>OTHER INCOME</b>		
Dividend Income from other than Subsidiary on		
-Current investments	0.97	25.85
Profit on Sale of Fixed Assets (Net)	3.72	-
Interest Income	2,297.16	2,350.04
Gain on foreign exchange difference	-	121.05
Sundry Balances Written back (Net)	47.32	1.19
Miscellaneous Income	<u>23.11</u>	<u>24.17</u>
<b>Total</b>	<b><u>2,372.27</u></b>	<b><u>2,522.30</u></b>
<b>NOTE - 23</b>		
<b>COST OF OPERATIONS</b>		
Operational Expenses	-	-
	-	-
<b>NOTE - 24</b>		
<b>EMPLOYEE BENEFITS EXPENSES</b>		
Salaries and Wages	890.91	1,071.23
Gratuity Expenses	1.00	9.03
Contribution to Provident fund and Other Fund	1.50	1.86
Staff Welfare	<u>1.15</u>	<u>1.50</u>
<b>Total</b>	<b><u>894.56</u></b>	<b><u>1,083.62</u></b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**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**

Particulars	2016-17	2015-16
Employers Contribution to Provident Fund	0.69	0.95
Employers Contribution to Pension Fund	0.66	0.73
	1.35	1.68

**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.

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

Particulars	2016-17	2015-16
Defined Benefit Obligation at beginning of the year	75.18	73.63
Current & Past Service Cost	1.20	1.51
Current Interest Cost	3.70	3.87
Past Service Cost (Non -vested Benefits)	-	-
Actuarial (Gain) / Loss	(10.79)	(1.09)
Liabilities assumed on Acquisition (settled on Divestiture)	-	1.13
Benefits paid	-	(3.88)
Defined Benefit Obligation at the end of the year	69.30	75.18

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

Particulars	2016-17	2015-16
Fair Value of Plan Assets at the end of the year	-	-
Defined Benefit Obligation at end of year	69.30	75.18
Liabilities recognized in the Balance Sheet	69.30	75.18

- c) Expenses recognized during the year

Particulars	2016-17	2015-16
Current & Past Service Cost	1.20	1.51
Interest Cost	3.70	3.87
Past Service Cost (Non -vested Benefits)	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain) / Loss	(10.79)	(1.09)
Net Cost Recognised in Profit and Loss Account	(5.89)	4.29

- d) Assumptions used to determine the defined benefit obligations

Particulars	2016-17	2015-16
Mortality Table (LIC)	LIC (1994-96)Ultimate	
Discount Rate (p.a.)	6.75	7.80%
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.

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
<b>NOTE - 25</b>		
<b>FINANCE COST</b>		
Interest Expenses	13,523.25	21,019.81
Redemption Premium on NCD	29.41	2,555.41
Other Borrowing Costs	-	13.66
<b>Total</b>	<b>13,552.66</b>	<b>23,588.88</b>

**NOTE - 26**

**OTHER EXPENSES**

Advertisement & Business Promotion Expenses	52.50	12.97
Bank Charges & Commission	1.94	2.23
Rent	158.39	78.80
Rates and Taxes	7.09	26.53
Printing and Stationery	7.18	9.90
Postage & Courier	16.63	19.60
Repair and Maintenance - Other	15.53	16.80
Manpower & Security Charges	6.10	17.04
Communication Expenses	0.03	0.47
Travelling, Conveyance & Vehicle Expenses	45.55	74.61
Legal and Professional Charges	81.76	127.50
Loss on Sale of Fixed assets	-	1.76
Administrative & Office Expenses	691.78	1,130.36
Other Miscellaneous Expenses	0.29	1.24
Payment to Auditors (Refer Note No. 26.1)	34.20	35.50
Prior Period Expenses	4.27	56.02
Loss on Sale of Investment	4,776.07	729.69
Sundry Balance Written off (Net)	445.13	0.11
Preliminary, Pre-Operative & Share issue expenses written off	9.00	9.00
Sitting Fees to Directors	9.36	11.10
Insurance Charges	1.58	2.07
Interest on TDS	229.79	392.38
<b>Total</b>	<b>6,594.17</b>	<b>2,755.68</b>

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

Particulars	For the year ended 31 March, 2017 Rs. in Lacs	For the year ended 31 March, 2016 Rs. in Lacs
Audit Fees	23.51	24.84
Tax Audit Fees	2.50	2.50
Internal Financial Control	2.77	2.85
Certification Matters	1.00	1.00
Other matters	0.25	-
Service Tax	4.17	4.31
<b>Total</b>	<b>34.20</b>	<b>35.50</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017**

(Rs. in Lacs)

**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 Singapore Pte Limited of Singapore	Singapore	100.00%	Subsidiary
4	Pipavav Electronic Warfare Systems Private Limited (Formerly known as SKIL Strategic Deterrence Systems Pvt. Ltd.)	India	100.00%	Subsidiary
5	Energy India Corporation Limited	India	100.00%	Subsidiary
6	SKIL Advanced Systems Private Limited	India	100.00%	Subsidiary
7	Chiplun FTWZ Pvt. Ltd.	India	52.00%	Subsidiary
8	Metrotech Technology Park Pvt. Ltd.	India	100.00%	Subsidiary
9	Navi Mumbai SMART CITY Infrastructure Pvt Ltd. (Formerly Known as Mahakleshwar Knowledge Infrastructure Pvt. Ltd.)	India	84.96%	Subsidiary
10	Orange Smart City Infrastructure Private Ltd.	India	84.96%	Step - Subsidiary
11	Gujarat Dwarka Port West Limited(Formerly Known as Gujarat Positra Port Company Limited )	India	73.60%	Subsidiary
12	Reliance Defence & Engineering Ltd (Formerly known as Pipavav Defence Offshore & Eng. Co. Ltd)	India	23.90%	Associate
13	Rosoboronservice (India) Limited	India	20.00%	Associate
14	Sohar Free Zone LLC	Sultanate of Oman	27.18%	Joint Venture

Urban Infrastructure Holding Private Limited is an Associate of the Company, whose Profit / (Loss) is not included in this Consolidated Financial Statement due to unavailability of financials of that Company.

**NOTE - 28**

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

Particulars	2016-17	2015-16
Net Profit / (Loss) after Tax	(31,826.43)	(48,303.43)
Amount available for calculation of Basic & Diluted EPS	(31,826.43)	(48,303.43)
Weighted Average No. of Equity Shares outstanding for Basic & Diluted EPS (Nos.)	21,65,71,232	21,65,71,232
Basic & Diluted Earnings per share of Rs. 10/- each	(14.70)	(22.30)

**NOTE - 29**

**CONTINGENT LIABILITIES AND COMMITMENTS**

Particulars	2016-17	2015-16
<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	14,69,628.00	12,97,828.25
(ii) Income Tax Demands not acknowledged as debts	3,002.11	2,195.30
(iii) Suit filed against the Company not acknowledged as debt	2,126.49	41.49
<b>b. Uncalled liability on partly paid-up share</b>	4.00	4.00
<b>c. Capital Commitments:</b>		

Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for (Net of Advances) as at 31<sup>st</sup> March, 2017 is Rs. 960.91 Lacs (Previous year Nil). (Cash flow is expected on execution of such Capital Contracts on Progressive basis).

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

**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, 2017 includes net loss of Rs. 2063.48 Lakhs (Previous Year 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 Share 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
Urban Infrastructure Holding Private Limited	
Rosoboronservice (India) Limited	
Sohar Free Zone LLC	Joint Venture
Mr.Nikhil P. Gandhi	Key Management Personnel (KMP)
Mr. Ajay Khara	
Mr. Sudipan Bhaduri	
Mr. Nilesh Mehta	
Mr.Bhavesh P.Gandhi	
Mr Jignesh Gaglani	
Mrs.Shweta Gujar	
Mrs. Supriya Baldi	
Mr. Hiten Mehta	
Mr.V G Honnavar	
Pipavav Marine Offshore Limited	Enterprises over which Key Management Personnel are able to exercise significant influence.
E Complex Private Ltd.	
Grevek Investment & Finance P. Ltd.	
Karanja Terminal & Logistics Private Limited	
Awaita Properties Pvt. Ltd.	
Reliance Engineering and Defence Services Limited	
Rhett Infraproject Pvt. Ltd.	
Nikhil P. Gandhi HUF	
Bhavesh P. Gandhi HUF	
Metropolitan Industries	



**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	-	-	-	-
Investment - sold during the year	17,117.41	-	-	17,117.41
Investment Written Off	-	-	-	-
<b>Balance as at 31st Mar, 2017</b>	2,34,965.11	-	2.45	2,34,967.56
<b>Loans &amp; Advances</b>				
Advances Given	1,961.66	8.79	14,937.13	16,907.59
Advances Received Back	2.50	15.00	8,598.62	8,616.12
<b>Advances as at 31st Mar, 2017</b>	20,852.87	44.47	18,724.58	39,621.92
<b>Current Liabilities</b>				
Advances received	-	230.89	22,821.64	23,052.52
Advances repaid back	-	2.60	14,462.13	14,464.73
<b>Balance as at 31st Mar, 2017</b>	-	228.29	23,644.57	23,872.86
<b>Redeemable Non Convertible Bonds</b>				
Balance as at the end of the year	-	-	1,00,400.00	1,00,400.00
Redemption premium payable	-	-	35,997.29	35,997.29
<b>Inter Corporate Deposit</b>				
Received	-	-	-	-
Refund back	-	-	390.00	390.00
<b>Balance as at 31<sup>st</sup> Mar, 2017</b>	-	-	11,500.00	11,500.00
Interest Expenses	-	-	525.00	525.00
Interest Income	1,893.17	-	344.35	2,237.51
Sale of Investments for Guarantees given to IIFL & JM Financial & Religare Finvest Ltd.	-	-	6,505.25	6,505.25
Corporate Guarantee Given o/s as at end of the year	12,42,028.00	-	53,500.00	12,95,528.00
Managerial Remuneration	-	149.94	-	149.94
				<b>2016-17</b>
				<b>Rs. in Lacs</b>
Investment - Purchased / Allotted during the year	Rosoboron service (India) Limited	-	-	81
Investment - sold during the year	Reliance Defence and Engineering Limited	17,117.41	75,087.53	
Investment at the end of the year	Reliance Defence and Engineering Limited	1,28,600.43	1,58,227.75	
	Urban Infrastructure Holdings Pvt. Ltd.	1,06,364.67	1,06,364.67	
	Rosoboron service India Limited	-	80.90	
Advances Received	Reliance Defence and Engineering Limited	-	31.93	
	Mr. Nikhil P. Gandhi	230.89	-	
	E Complex Private Limited	-	7,213.56	
	Grevek Investment & Finance Pvt.Ltd.	22,805.26	6,559.29	
	Awaita Properties Pvt.Ltd.	14.15	90.30	
	Metropolitan Industries	2.23	-	
Refund of Advance	Mr. Nikhil P. Gandhi	2.60	-	
	E Complex Private Limited	6,720.11	493.44	
	Grevek Investment & Finance Pvt.Ltd.	7,726.35	712.35	
	Awaita Properties Pvt.Ltd.	15.67	97.50	
Advances at the end of the year	Reliance Defence and Engineering Limited	-	31.93	
	Mr. Nikhil P. Gandhi	228.29	-	
	E Complex Private Limited	-	19,705.11	
	Grevek Investment & Finance Pvt.Ltd.	23,492.37	11,267.23	
	Awaita Properties Pvt.Ltd.	149.98	151.50	
	Metropolitan Industries	2.23	-	

		2016-17 Rs. in Lacs	2015-16 Rs. in Lacs
Redeemable Non convertible Bonds at the end of the year	Grevek Investments & Finance Pvt.Ltd.	1,00,400.00	1,00,400.00
Redemption Premium Payable	Grevek Investments & Finance Pvt.Ltd.	35,997.29	27,486.29
Inter-Corporate Deposit Repayment	Rhett Infracore Pvt. Ltd.	390.00	-
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	11,500.00
	Rhett Infracore Pvt. Ltd.	-	390.00
Advances Given	Reliance Defence and Engineering Limited	1,909.16	2,434.59
	Rosoboronservic India Limited	52.50	893.00
	Mr. Sudipan Bhaduri	8.75	15.21
	Pipavav Marine Offshore Limited	73.83	198.51
	E Complex Pvt. Ltd.	10,454.75	320.08
	Reliance Engineering and Defence Services Limited	4,364.90	
	Grevek Investments & Finance Pvt.Ltd.	43.65	237.15
Advances received back	Reliance Defence and Engineering Limited	-	605.17
	Rosoboronservic India Limited	2.50	-
	Mr.Sudipan Bhaduri	15.00	-
	Pipavav Marine Offshore Ltd.	-	750.00
	E Complex Pvt. Ltd.	6,970.00	287.06
	Grevek Investment & Finance Pvt.Ltd.	1,462.85	15.46
	Nikhil Gandhi HUF	25.07	-
	Bhavesh Gandhi HUF	140.70	-
Advance Receivable at the end of the year	Reliance Defence and Engineering Limited	19,909.87	18,001.42
	Rosoboronservic India Limited	943.00	893.00
	Mr. Nilesh Mehta	2.91	2.91
	Mr. Sudipan Bhaduri	41.56	47.81
	Pipavav Marine Offshore Ltd.	1,129.80	987.28
	E Complex Pvt. Ltd.	4,555.40	1,070.65
	Grevek Investments & Finance Pvt.Ltd.	8,058.48	9,477.69
	Reliance Engineering and Defence Services Limited	4,364.90	-
	Nikhil Gandhi HUF	365.82	390.89
	Bhavesh Gandhi HUF	250.18	390.89
Interest Paid	Grevek Investments and Finance Pvt.Ltd.	525.00	525.00
Interest Income	Reliance Defence and Engineering Limited	1,893.17	1,924.28
	E Complex Private Limited	272.74	134.24
	Pipavav Marine Offshore Limited	71.60	211.05
<b>Sale of Investments for Guarantees given to :</b>			
IFCI	Pipavav Marine Offshore Limited	-	68.69
IIFL & JM financial Product Ltd.	E Complex Private Limited	2,140.35	-
Religare Finvest Limited	Reliance Engineering and Defence Services Limited	4,364.90	-
Corporate Guarantee Given o/s at the end of the year	Reliance Defence and Engineering Limited	12,42,028.00	12,42,028.00
	E Complex Pvt. Ltd.	27,000.00	27,000.00
	Grevek Investments & Finance Pvt.Ltd.	8,500.00	8,500.00
	Reliance Engineering and Defence Services Limited	18,000.00	18,000.00
Managerial Remuneration	Mr. Ajay Khara	100.00	100.00
	Mr. Sudipan Bhaduri	5.00	60.00
	Mr. Nilesh Mehta	36.00	36.00
	Mr Jignesh Gaglani	2.13	-
	Mrs.Shweta Gujar	4.13	-
	Mrs. Supriya Baldi	2.69	-

**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, 2017	For the year ended 31st March, 2016
Travelling Expenses	11.55	19.21
<b>Total</b>	<b>11.55</b>	<b>19.21</b>

**NOTE-35**

**Jointly Controlled Entity :**

Name	Country of Incorporation	Ownership interest	
		As at March 31, 2017	As at March 31, 2016
Sohar Free Zone LLC	Sultanate of Oman	27.18%	33.33%
Particulars	As at 31 <sup>st</sup> December, 2016	As at 31 <sup>st</sup> December, 2015	
<b>Assets</b>			
- Long Term Assets	3,606.03		4,540.91
- Current Assets	3,651.77		1,317.78
<b>Liabilities</b>			
- Non Current Liabilities	3,318.50		2,807.15
- Current Liabilities & Provisions	2,514.49		2,332.24
<b>Income</b>	1,946.84		1,897.83
<b>Expenses</b>	1,380.02		1,958.24

**NOTE-36**

**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:

	As at March 31, 2017	As at March 31, 2016
Lease payments recognised in statement of profit and loss account for the year	158.39	78.80
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**

	Rs. in Lacs
Opening Balance	70,907.81
Add : Addition During The Year	17,780.54
Less: Tranfer during the year	728.29
Closing Balance	87,960.06

**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**

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

**NIKHIL GANDHI**

**Chairman**

**Din No-00030560**

**Date : May 30, 2017**

**Place : Mumbai**

**NILESH MEHTA**  
**Company Secretary**

**SHEKHAR GANDHI**  
**Chief Financial Officer**

## 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, 2017

(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)	Turn-over	Profit/(Loss) Before Tax	Provision for Taxation	Profit/(Loss) after Taxation	Proposed Dividend	Country
1	SKIL-Himachal Infrastructure & Tourism Limited	INR	5,000.00	(25.63)	10,596.46	10,596.46	-	-	(8.75)	-	(8.75)	-	India
2	SKIL Shipyard Holdings Private Limited	INR	5.00	(21,087.29)	21,164.86	21,164.86	-	-	(2,542.64)	-	(2,542.64)	-	India
3	SKIL (Singapore) Pte Limited	INR	50.25	(119.28)	11,347.40	11,347.40	-	-	(2.47)	-	(2.47)	-	Singapore
		SGD MN	0.16	(0.24)	24.44	24.44	-	-	(0.01)	-	(0.01)	-	
4	Pipavav Electronic Warfare Systems Pvt. Ltd. (Formerly Known as SKIL Strategic Deterrence Systems Pvt. Ltd.)	INR	1.00	(1.55)	40.03	40.03	-	-	(0.51)	-	(0.51)	-	India
5	SKIL Advanced Systems Private Limited	INR	5.00	(20.78)	463.05	463.05	-	-	(0.59)	-	(0.59)	-	India
6	Gujarat-Dwarka Portwest Ltd. (Earlier Known as Gujarat Positra Port Company Limited)	INR	9,556.60	1,611.67	66,183.10	66,183.10	-	-	(7.64)	-	(7.64)	-	India
7	Metrotech Technology Park Private limited	INR	20.00	(29.99)	1,951.42	1,951.42	-	-	(22.79)	-	(22.79)	-	India
8	Navi Mumbai SMART CITY Infrastructure Ltd. (Earlier Known as Mahakaleshwar Knowledge Infrastructure Pvt. Ltd.)	INR	294.58	(146.62)	60,835.79	60,835.79	-	-	(89.15)	-	(89.15)	-	India
9	Chiplun FTWZ Private limited	INR	9,000.00	(116.37)	12,016.55	12,016.55	-	-	(4.88)	-	(4.88)	-	India
10	Orange Smartcity Infrastructure Private Limited	INR	1.00	(0.33)	0.96	0.96	-	-	(0.33)	-	(0.33)	-	India

## 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 Consolidated
	Associates:								
1	Reliance Defence and Engineering Limited	March 31,2017	175,952,263	168,026.96	23.90%	Note A	27,974.31	(12,509.90)	(39,833.10)
2	Rosoboronservice (India) Ltd.#	March 31,2017	13500	81	20.00%	Note A	48.940968	(80.90)	(337.36)
	Joint Venture:								
3	Sohar Free Zone LLC	December 31,2016	755,245	899.40	27.18%	Note A	995.04	(566.81)	(1,518.60)

# Unaudited

**Note A.**

There is significant influence due to percentage(%) of Share Capital.

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.

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**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 30, 2017**

**Place : Mumbai**

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

**NIKHIL GANDHI**

**Chairman**

**Din No-00030560**

**NILESH MEHTA**

**Company Secretary**

**SHEKHAR GANDHI**

**Chief Financial Officer**

# 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

34<sup>th</sup> Annual General Meeting – Friday, September 29, 2017

## 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 34<sup>th</sup> Annual General Meeting of the Members of the Company held on Friday, September 29, 2017 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.

TEAR HERE

[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

34<sup>th</sup> Annual General Meeting – Friday, September 29, 2017

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 34<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 29, 2017 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
Ordinary Business:				
1.	Ordinary Resolution for adoption of: a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Auditors and Directors thereon; b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 and the Reports of the Auditors.			
2.	Ordinary Resolution for re-appointment of Mr. Bhavesh Gandhi, Director (DIN: 00030623), who retires by rotation and being eligible, offers himself for re-appointment			
3.	Ordinary Resolution for appointment of M/s. Kailash Chand Jain & Co., Chartered Accountants (bearing Registration Number: 112318W) as the Statutory Auditors of the Company.			
4.	Ordinary Resolution for the appointment of Mr. U. B. Singh as a Director of the Company.			
5.	Special Resolution for the appointment of Mr. U. B. Singh as the Managing Director & CEO of the Company.			

Signed this ..... day of ....., 2017

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 34<sup>th</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- SKIL Infrastructure Limited)

Link Intime India Private Limited

C-101, 247 Park, L.B.S. Marg,

Vikhroli (West)

Mumbai Maharashtra- 400 078.