

September 21, 2018

To,  
**The Manager,**  
**Listing Department,**  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai – 400 051

To,  
**The Manager,**  
**Listing Department,**  
**BSE Ltd.**  
P J Towers, Dalal Street,  
Mumbai -400001, India

**NSE Symbol: SKIL**

**BSE Security Code: 539861**

Dear Sir/Ma'am,

**Sub.: Annual Report along with Notice for the financial year 2017-18.**


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Please find enclosed herewith Annual Report of SKIL Infrastructure Limited for the financial year 2017-2018.

Kindly take the same on your records.

Thanking you,

For **SKIL Infrastructure Limited,**



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

**Encl: a/a**

# **SKIL INFRASTRUCTURE LIMITED**

**35<sup>th</sup> ANNUAL REPORT**

**2017-2018**

## 35<sup>th</sup> ANNUAL GENERAL MEETING

<b>DATE</b>	: September 28, 2018
<b>DAY</b>	: Friday
<b>TIME</b>	: 14:30 Hours
<b>PLACE</b>	: Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001

## BOARD OF DIRECTORS

Mr. Nikhil Gandhi	Chairman
Mr. Bhavesh Gandhi	Vice Chairman
Mr. Udai Bhanu Singh*	Managing Director & Chief Executive Officer
Mr. Shankar Aggarwal**	Whole time Director
Mr. J. Alexander	Independent Director
Ms. Gayathri Ramachandran	Independent Director
Mr. Rakesh Mohan	Independent Director
Mr. V. Ramanan	Independent Director

\* till May 15, 2018

\*\*from February 08, 2018

## CHIEF FINANCIAL OFFICER

Mr. Shekhar Gandhi

## COMPANY SECRETARY

Mr. Nilesh Mehta

## AUDITORS

M/s Kailash Chand Jain & Co.,  
Chartered Accountants, Mumbai

## BANKERS

HDFC Bank  
Yes Bank Limited  
IDBI Bank Limited  
Union Bank of India

## REGISTERED OFFICE

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

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-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: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

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**NOTICE**

**NOTICE** is hereby given that the 35<sup>th</sup> Annual General Meeting ('AGM') of the Members of SKIL Infrastructure Limited will be held on Friday, September 28, 2018 at 14:30 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 consider and adopt the Audited Financial Statements (Including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nikhil Gandhi: (DIN 00030560), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider the modification of terms of appointment of M/s. Kailash Chand Jain & Co. as the Statutory Auditors of the Company: **"RESOLVED THAT** in partial modification of the Ordinary resolution passed at the Annual General Meeting held on September 29, 2017 and in accordance with the amended Section 139 of the Companies Act, 2013 read with the relevant rules made thereunder, the approval of the shareholders be and is hereby accorded to continue the appointment of M/s. Kailash Chand Jain & Co., Chartered Accountants (Registration no:112318W) as the Statutory Auditors of the Company, at such remuneration as may be decided by the Board of Directors as per the recommendations of the Audit Committee, till the conclusion of the 39<sup>th</sup> Annual General Meeting to be held in the year 2022 and that the said appointment would not be subject to ratification at every subsequent Annual General Meeting.

**SPECIAL BUSINESS:**

**4. Approval for continuation of office by Mr. J. Alexander as an Independent Director.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of the members of the Company be and is hereby accorded for the continuation of Mr. J. Alexander (DIN: 00485766), who has crossed the age of 75 years, as an Independent Director of the Company for the remaining current tenure of his office.

**RESOLVED FURTHER THAT** save and except aforesaid, the other terms and conditions of appointment of Mr. J. Alexander as an Independent Director of the Company shall remain unaltered."

**5. Approval for continuation of office by Mr. V. Ramanan as an Independent Director**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the approval of the members of the Company be and is hereby accorded for the continuation of Mr. V. Ramanan (DIN: 02754562), who has crossed the age of 75 years, as an Independent Director of the Company for the remaining current tenure of his office.

**RESOLVED FURTHER THAT** save and except aforesaid, the other terms and conditions of appointment of Mr. V. Ramanan as an Independent Director of the Company shall remain unaltered."

**6. Appointment of Mr. Rakesh Mohan as an Independent Director:**

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) read with Schedule IV of Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and on the basis of recommendation by Nomination & Remuneration Committee and the approval of the Board of Directors of the Company, Mr. Rakesh Mohan (DIN: 07352915), who was appointed as an Additional (Independent) Director of the Company, with effect from November 14, 2017, pursuant to the provisions of Section 161 of the Act to hold office upto the date of ensuing Annual General Meeting be and is hereby appointed as an Independent Director for five consecutive years for a term commencing from September 28, 2018 up to September 27, 2023 and whose office shall not be liable to retire by rotation."

**7. Appointment of Mr. Shankar Aggarwal as Director of the Company:**

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 Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), and on the basis of recommendation by Nomination and Remuneration Committee and the approval of the Board of Directors of the Company, Mr. Shankar Aggarwal (DIN: 02116442), who was appointed as an Additional Director with effect from December 26, 2017, pursuant to the provisions of Section 161 of the Act to hold office upto the date of ensuing Annual General Meeting be and is hereby appointed as Director of the Company, liable to retire by rotation."

**8. Appointment of Mr. Shankar Aggarwal as the Whole time Director of the Company:**

To consider and if thought fit, to pass the following resolution as a **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, if required and other approvals, as may be necessary, consent of the Members be and is hereby accorded to appoint Mr. Shankar Aggarwal (DIN: 02116442) as the Whole time Director 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 (herein after 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. Shankar Aggarwal 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

**By Order of the Board of Directors**

**Place:** Mumbai

**Date:** August 14, 2018

**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 authorized 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 organization. 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 22, 2018 to Friday, September 28, 2018, 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 investor email id: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in).
13. Copies of the Annual Report for FY 2017-18 including therein the Notice of the 35<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, August 24, 2018. However, if such a person is not a Member on the cut-off date of Friday, September 21, 2018; 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 29, 2017 (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. SEBI vide their circular dated April 20, 2018 has mandated the dividend warrant/demand draft revalidation request can be processed only if the bank account details are registered with Depository Participants (for demat shareholders) and Registrars and Share Transfer Agents of the Company (the shareholders holding shares in physical form). Hence, the shareholders are requested to immediately registered their PAN and bank account details.
17. SEBI vide Circular No. SEBI/LAD-NRO/GN/2018/24 dated June 08, 2018 has mandated that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository after December 05, 2018. The Shareholder, who are still holding shares in the physical form are requested to take immediate action to demat their shares to avail easy liquidity since trading of shares of the Company are under compulsory demat mode as per the regulation of SEBI.
18. Pursuant to the provisions of the Companies Act, 2013 and SS-2: Secretarial Standard on General Meetings, the Company wishes to inform that no distribution of gift will be made by the Company in connection with 35<sup>th</sup> Annual General Meeting.
19. 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 ('CSDL'). 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 25, 2018 at 0900 hours and ends on Thursday, September 27, 2018 at 1700 hours. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, September 21, 2018, 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 Number (EVSN:180827011) of SKIL Infrastructure Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed login password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders & Custodians:
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.

- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact

Name: Mr. Rakesh Dalvi

Designation: Manager

Address: A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (E), Mumbai -400013.

Email id: helpdesk.evoting@cdslindia.com

Phone number: 1800225533

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 [riddhi.shah@linkintime.co.in](mailto:riddhi.shah@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 21, 2018.

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 along with 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**

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

**Annexure I**

Name of the Director (DIN)	: Mr. Nikhil Gandhi (00030560)	Mr. Rakesh Mohan (07352915)
Designation	: Chairman	Independent Director
Date of Birth	: April, 25, 1959	January 02, 1952
Age	: 59	66 years
Nationality	: Indian	Indian
Qualification	: B. Com	Masters in Science
Date of Appointment	: April 15, 2006	November 14, 2017
Detailed Profile including Nature of Expertise and Experience	: A first-generation entrepreneur, Mr. Nikhil Gandhi has led the Company in undertaking various projects of national importance, several such projects being first-of-its-kind in aspects such as bringing private sector initiative into hitherto public domain. He has over 35 years of experience in conceiving and developing infrastructure projects across India.	Mr. Rakesh Mohan is a retired senior bureaucrat. He joined the Indian Administrative service in the year 1978. He has completed B.Sc. (Honors) and M.Sc. in Physics from Delhi University. He also did MS Electrical Engineering from Ohio State University in USA. He also did MS in Social Policy & Planning in Developing Countries from School of Economics at London. He has held important positions in his long professional career to name few ; Secretary to the Governor, Arunachal Pradesh, Principal Secretary in Public works Department in Delhi, worked in the Ministry of Energy (Department of Power) and Ministry of Commerce, Joint Secretary in the Ministry of Information and Broadcasting and also a Principal Secretary (Education), Government of Delhi.
Number of Board Meetings attended during the financial year 2017-18	: 5 Board Meetings	2 Board Meetings
Remuneration	: -	-
Directorships held in other companies as on March 31, 2018	: Urban Infrastructure Holdings Private Limited	Sunil Healthcare Limited
	: Orange Smart City Infrastructure Private Limited	AKG Exim Limited
		Navi Mumbai Smart City 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, 2018	: Nil	Nil
Number of shares held in the Company as on March 31, 2018	: Individually holds 1,177,757 Equity Shares.	Nil
Inter-se relationship with other Directors and KMPs	: Brother of Mr. Bhavesh Gandhi	NA

## Annexure II

Name of the Director (DIN)	: Mr. J. Alexander (DIN: 00485766)	Mr. V. Ramanan (DIN: 02754562)
Designation	: Independent Director	Independent Director
Date of Birth	: August 08, 1938	June 06, 1941
Age	: 80	77 years
Nationality	: Indian	Indian
Qualification	: M.A and PhD	B.Com
Date of Appointment	: September 30, 2014	September 30, 2014
Detailed Profile including Nature of Expertise and Experience	: Dr. J. Alexander an M.A. (English Language & Literature) and Phd. (Philosophy) is a retired senior bureaucrat. After teaching English Literature in Kerala University, he joined the Indian Administration Service in 1963. He has held important positions in his long professional career and to name a few; Managing Director Karnataka State Ware Housing Corporation; Chief Executive Officer, Karnataka State Road Transport Corporation, Commissioner of Bangalore City Corporation; Chairman, Karnataka State Housing Board and Karnataka State Slums Clearance Board, Bangalore; Chairman and Managing Director, Mangalore Chemicals and Fertilisers, Mangalore; Chairman, Bangalore Water Supply and Sewerage Board, Karnataka State Finance Corporation, Mysore Sales International Limited, Bangalore Development Authority, Karnataka State Pollution Control Board; and Chief Secretary to Government of Karnataka. His last posting was Secretary to Government of India for Social, Women and Child Welfare Development. He was elected as Member of Legislative Assembly from Bharathi Nagar Constituency in Bangalore and subsequently as Minister for Tourism, Government of Karnataka. In his capacity as Chairman of Central Coir Board, he also worked as Consultant for Agriculture Organisation of United Nation.	Mr. V. Ramanan a Commerce Graduate. He has held important positions in his long career with Indian Bank, which he joined as a Probationary Officer way back in 1968 before superannuating as Senior General Manager, after 33 years of experience in Banking Sector.
Number of Board Meetings attended during the financial year 2017-18	: 6 Board meetings.	5 Board Meetings
Remuneration	: -	-
Memberships/ Chairmanships of committees of other public companies as on March 31, 2018		
a) Audit Committee	- JPT Securities Limited - Navi Mumbai Smart City Infrastructure Limited - SKIL-Himachal Infrastructure and Tourism Limited	- Navi Mumbai Smart City Infrastructure Limited - KLG Capital Services Limited - JPT Securities Limited - Gujarat-Dwarka Portwest Limited - Chiplun FTWZ Private Limited
b) Stakeholders Relationship Committee	- JPT Securities Limited.	- KLG Capital Services Limited
Directorships held in other companies as on March 31, 2018	: JPT Securities Limited KLG Capital Services Limited Symphony TV and Entertainments Private Limited Stumpp Schuele & Somappa Private Limited Navi Mumbai Smart City Infrastructure Limited SKIL-Himachal Infrastructure and Tourism Limited Kings Infra Ventures Limited KLM Axiva Finvest Limited Karanja Logistics Private Limited Transaction Analysts (India) Private Limited M Far Constructions Private Limited Orange Smart City Infrastructure Private Limited	Metrotech Technology Park Pvt Ltd Navi Mumbai Smart City Infrastructure Limited KLG Capital Services Limited JPT Securities Limited Gujarat- Dwarka Portwest Limited Chiplun FTWZ Private Limited Karanja Logistics Private Limited IFIN Securities Finance Limited Orange Smart City Infrastructure Private Limited Tooquick Technologies Private Limited - -
Number of shares held in the Company as on March 31, 2018	: NIL	Nil
Inter-se relationship with other Directors and KMPs	: NA	NA

**Annexure III**

Name of the Director (DIN)	: Mr. Shankar Aggarwal (02116442)
Designation	: Whole time Director
Date of Birth	: September 22, 1956
Age	: 62 years
Nationality	: Indian
Qualification	: Graduate in Computer Technology (IIT)
Date of Appointment	: December 26, 2017
Detailed Profile including Nature of Expertise and Experience	: Mr. Shankar Aggarwal has graduated in Electronics & Communication Engineering, IIT, Roorkee and also a Post Graduate in Computer Technology Engineering, IIT, Delhi. He retired in September 2016, after completing 36 years of satisfying and successful career in Civil Service (IAS). He has vast experience in formulation and implementation of government policies at state (GoUP) and Central (GoI) levels, in multiple areas and sectors. He has held important positions in his long professional career and to name a few; Secretary, Government of India in: Ministry of Labour & Employment, Ministry of Urban Development and Ministry of Women & Child Development. He was a Special secretary & Additional Secretary, Government of India in Ministry of Defence and a Additional Secretary & Joint Secretary, Government of India in Ministry of Communication & Information Technology. He was also Principal Secretary, Departments of Housing & Urban Planning, Technical Education in State Government of Uttar Pradesh.
Number of Board Meetings attended during the financial year 2017-18	: 1 Board Meeting
Remuneration	: -
Directorships held in other companies as on March 31, 2018	: Multi Commodity Exchange Of India limited Hotel Queen Road Private Limited. Prudent Arc Limited Csc E-Governance Services India 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, 2018	: Nil
Number of shares held in the Company as on March 31, 2018	: Nil
Inter-se relationship with other Directors and KMPs	: NA

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013:-****ITEM NO. 4 & 5**

As per the new Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, effective from April 01, 2019, every listed Company would require the approval of the shareholders, by way of passing a special resolution, to appoint or to continue the directorship of any person, who has attained the age of seventy five years, as a non-executive director of the Company.

Mr. J. Alexander (DIN: 00485766) and Mr. V. Ramanan (DIN: 02754562), presently aged 80 years and 77 years respectively, were appointed as an Independent Director of the Company for a period of five consecutive years with effect from September 30, 2014. In order to ensure compliance with new Regulation 17 (1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is effective from April 01, 2019, necessary special resolution has been set out under item no. 4 and 5 seeking the approval of the shareholders to continue the appointment of Mr. J. Alexander and Mr. V. Ramanan as an Independent Director of the Company for the remaining tenure of their office.

Mr. J. Alexander who is retired senior bureaucrat, who served in Indian Administration Service since 1963 and Mr. V. Ramanan who has held important positions in his long career in Indian Bank, the Board considers that their continued association would immensely benefit the Company and it is desirable to continue to avail their services as an Independent Director. Accordingly, the Board recommends Special Resolution set out under Item No. 4 & 5 for the approval of shareholders. They are not liable to retire by rotation.

None of the Directors and Key Managerial Personnel of the Company are relatives of Mr. J. Alexander and Mr. V. Ramanan. None of the Directors and Key Managerial Personnel of the Company or their relatives is, financially or otherwise, concerned or interested in this resolution except Mr. J. Alexander and Mr. V. Ramanan, whose term for continuation as an Independent Director is considered.

Further, Additional details as required under regulation 36 (3) of the SEBI (Listing Obligations and Disclosures requirement) Regulations, 2015 is provided in the brief profile of Mr. J. Alexander and Mr. V. Ramanan which is attached herewith as an Annexure II to the notice.

**ITEM NO. 6**

Mr. Rakesh Mohan on the recommendation of Nomination & Remuneration Committee and with the approval of the Board has been appointed as an Additional Independent Director with effect from November 14, 2017 to hold office upto the ensuing Annual General Meeting, subject to approval of members, he shall be appointed for a period of five consecutive years from September 28, 2018 till September 27, 2023 and not liable to retire by rotation.

Mr. Rakesh Mohan has furnished to the Board the requisite declarations contemplated under Section 149(7) of the Act stating that he is Independent Director within the meaning of Section 146(6) of the Act and he is not disqualified from being appointed as Director in terms of Section 164(2) of the Act.

In the opinion of Board, Mr. Rakesh Mohan fulfills the conditions specified in Companies Act, 2013 and the Rules made thereunder and the proposed director is Independent of the Management. The Board also considers that his association would be of immense benefit to the Company and it is therefore, desirable to avail his services. Hence, it recommends the said Resolution No. 6 for approval by way of passing an Ordinary Resolution.

None of the Directors and Key Managerial Personnel of the Company are relatives of Mr. Rakesh Mohan. He, being an appointee is interested in this resolution concerning his own appointment. Except him, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 6.

Further, Additional details as required under regulation 36 (3) of the SEBI (Listing Obligations and Disclosures requirement) Regulations, 2015 is provided in the brief profile of Mr. Rakesh Mohan which is attached herewith as an Annexure I to the notice.

**ITEM NO. 7**

Mr. Shankar Aggarwal on the recommendation of Nomination and Remuneration Committee and approval of Board of Directors has been appointed as an Additional Director of the Company to hold the office upto ensuing Annual General Meeting with effect from December 26, 2017 in accordance with the provision of Section 161 of the Companies Act, 2013.

The Board is of the view that the appointment of Mr. Shankar Aggarwal as Director is desirable and would be beneficial to the Company and hence it recommends the said Resolution no. 7 for approval by way of passing an Ordinary Resolution.

Mr. Shankar Aggarwal 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 Director. In the opinion of the Board, Mr. Shankar Aggarwal fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

None of the Directors and Key Managerial Personnel of the Company are relatives of Mr. Shankar Aggarwal. He, being an appointee is interested in this resolution concerning his own appointment. Except him, none of the Directors and Key Managerial Personnels of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 7.

Further, Additional details as required under regulation 36 (3) of the SEBI (Listing Obligations and Disclosures requirement) Regulations, 2015 is provided in the brief profile of Mr. Shankar Aggarwal which is attached herewith as an Annexure III to the notice.

**ITEM NO. 8**

In accordance with the recommendation of Nomination and Recommendation Committee (NRC) and with the approval of the Board of Directors of the Company at its meeting held on February 08, 2018, subject to Member's approval, appointed Mr. Shankar Aggarwal as Whole Time Director for a period of three years at the remuneration recommended by the NRC.

The Remuneration offered to him is in line with the Company's Nomination and Remuneration Policy as well as present corporate trends taking due account of his expertise and considerable acumen that he brings to the Company. As per Schedule V of the Act, his appointment and remuneration requires approval of the Members.

Mr. Shankar Aggarwal satisfies all the conditions set out in Part-I of the Schedule V to the Act also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment except item (ii) of the Second proviso to Section – II(B), Part-II of Schedule V of the Act for which the Company shall seek the permission of Central Government. He is not disqualified from being appointed as Director in terms of Section 164 of the Act. In the opinion of Board, Mr. Shankar Aggarwal fulfills the conditions specified in Companies Act, 2013 and the Rules made thereunder.

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

- (a) Joining bonus of Rs. 10 Lacs.
- (b) Monthly remuneration of Rs. 5 Lacs (inclusive of all perquisites and allowances).
- (c) Reimbursement for the use of two cars with drivers upto Rs. 1 Lac per month.
- (d) Other terms: Subject to the superintendence, control and direction of the Board of Directors, Mr. Shankar Aggarwal 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. Shankar Aggarwal or the Company, by one party giving to the other Ninety (90) days notice in writing.

Mr. Shankar Aggarwal, being an appointee is interested in this resolution concerning his own appointment. Except him, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at item no. 8.

**Statement as per item (iv) of third proviso of section II of Part II of Schedule V to the Companies Act, 2013:**

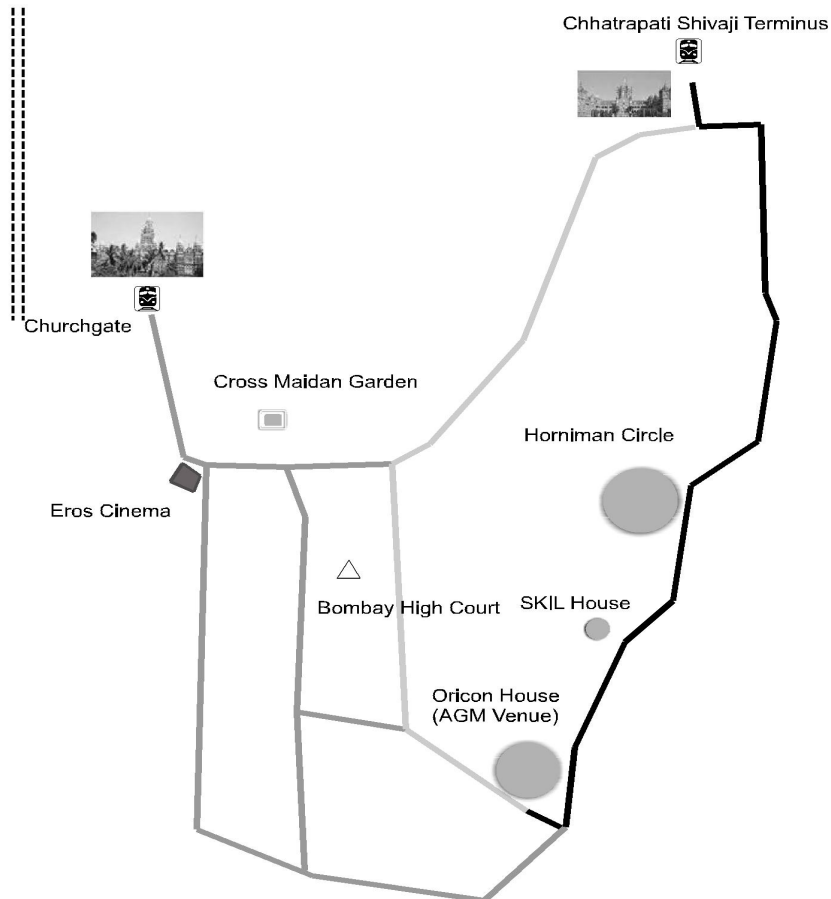
S.N	Description	Information
<b>1.</b>	<b>General Information</b>	
a)	Nature of the Industry	Specialized Infrastructure
b)	Date or expected date of commencement of commercial production	Not Applicable
c)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable
d)	Financial performance based on given indicators (as on March 2017)	Details are mentioned in the Director's Report.
e)	Export Performance and net foreign exchange collaborations	Nil
f)	Foreign investments or collaborators, if any	Nil
<b>2. Information about the Appointee</b>		
a)	Background details	Mr. Shankar Aggarwal has graduated in Electronics & Communication Engineering, IIT, Roorkee and also a Post Graduate in Computer Technology Engineering, IIT, Delhi. He retired in September 2016, after completing 36 years of satisfying and successful career in Civil Service (IAS).
b)	Past remuneration	Retired IAS Officer
c)	Recognition or awards	Nil
d)	Job profile and his suitability	Mr. Shankar Aggarwal has vast experience in formulation and implementation of government policies at state (GoUP) and Central (GoI) levels, in multiple areas and sectors. He has held important positions in his long professional career and to name a few; Secretary, Government of India in: Ministry of Labour & Employment, Ministry of Urban Development and Ministry of Women & Child Development. He was a Special secretary & Additional Secretary, Government of India in Ministry of Defence and a Additional Secretary & Joint Secretary, Government of India in Ministry of Communication & Information Technology. He was also Principal Secretary, Departments of Housing & Urban Planning, Technical Education in State Government of Uttar Pradesh

S.N	Description	Information
e)	Remuneration proposed	Mentioned elsewhere in Item No. 8
f)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t the country of his origin)	The remuneration of Mr. Shankar Aggarwal is in consonance with the given criteria.
g)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	None
<b>3. Other Information</b>		
a)	Reasons of loss or inadequate profits	The loss is mainly on account of Finance Cost and sale of investment.
b)	Steps taken or proposed to be taken for improvement	The Company is streamlining its operations and activities in order to reduce interest cost and other expenses. Accordingly, some experienced personnel have been appointed to achieve the above objective.
c)	Expected increase in productivity and profits in measurable terms	The Company being pioneer in the Infrastructure projects in India, it is working on few projects and once they are materialized, it will improve the size and scale of the business and operations which will create value for the stakeholders.

**Disclosure:**

The disclosures regarding remuneration of the Directors have been mentioned in the Corporate Governance Report as a part of the Annual Report. The proposed resolution and this explanatory statement may be treated as an abstract of the terms and conditions of the appointment of Mr. Shankar Aggarwal as Whole Time Director in terms of Section 190 of Companies Act, 2013.

**Route Map for Venue of the 35<sup>th</sup> Annual General Meetings**



## DIRECTORS' REPORT

### Dear Members,

Your Directors are pleased to present the 35<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, 2018.

### Financial Highlights (Standalone)

The financial performance of the Company for the financial year ended March 31, 2018 is summarized below:

(Rupees in Lacs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total Income	207.54	1,493.35
Less: Expenditure	27,311.96	17,923
Profit/(Loss) before Depreciation & Taxation	(27,104.42)	(16,429.65)
Less: Depreciation	36.04	54.41
Exceptional Items	(15,435.60)	333.11
Profit/(Loss) before taxation	(42,576.07)	(16,150.96)
Less: Provision for Tax / Deferred Tax	0.43	(153.79)
Profit/(Loss) after tax	(42,575.64)	(16,304.75)
Other Comprehensive Income/ (Loss)		
Fair valuation of non-current investment	(7,582.55)	(212.23)
Actual Gain/(Loss) on defined benefit plans.	1.09	(2.80)
Total Comprehensive Income of the Year	(7,581.46)	(215.03)
Add: Balance brought forward from the previous year	(73,870.94)	(57,351.17)
Balance Profit / (Loss) carried forward to the next year	(1,24,028.9)	(73,870.94)

### State of Company's Affairs

The Company continues to operate through its subsidiaries/affiliates/associates/joint ventures/special purpose vehicles with regards to conceptualization and execution of various envisaged projects. The Company has diversified, albeit in infrastructure sector, footfalls in form of interests and investments in development of proposed Smart City, Urban Infrastructure, SEZ, Port, Logistics Park, Industrial Park, Industrial Township, Recreational Infrastructure etc. The Company is in the process of developing a state-of-the-art Container Freight Station (CFS) near Jawaharlal Nehru Port, Navi Mumbai.

The Company's total revenue stands as Rs. 207.54 lacs during the FY 2017-18 compared to Rs. 1,493.35 lacs for the previous financial year. The loss before exceptional items and tax is Rs. 27,140.45 lacs for the FY 2017-18 as against loss of Rs. 16,484.06 lacs for the previous financial year. The Loss is mainly on account of Finance Cost and sale of investment.

### Future Outlook

The Company shall carry forward its philosophy of developing critical infrastructure in the field of Smart City, Urban Infrastructure, SEZ, Port, Logistics Park, Industrial Park, Industrial Township, Recreational Infrastructure etc. through its subsidiaries/affiliates/associates/joint ventures/special purpose vehicles. The Company shall continue to focus on creating value for its shareholders/stakeholders.

### Dividend

In view of losses incurred by the Company, your Directors do not recommend dividend for the financial year ended March 31, 2018.

### Indian Accounting Standards

The Ministry of Corporate (MCA) vide its notification in the Official Gazette dated February 16, 2015, notified the Indian Accounting Standards (Ind AS) applicable to certain classes of companies. Ind AS has replaced the existing Indian GAAP prescribed under Section 133 of Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. For the Company, Ind AS is applicable from April 01, 2017. Accordingly these accounts have been prepared as per Ind AS. The areas having the resultant impact on account of transition to Ind AS have been reported in notes to the financial statements for the year ended 31st March, 2018 which have been restated in accordance with Ind AS for comparative information.

### Details of Subsidiaries, Associates & Joint Ventures

As on March 31, 2018, the Company has eight Subsidiary Companies including one foreign Subsidiary which are Gujarat-Dwarka Portwest Limited, Pipavav Electronic Warfare Systems Private Limited, Chiplun FTWZ Private Limited, SKIL-Himachal Infrastructure and Tourism Limited, SKIL Shipyard Holdings Private Limited, Metrotech Technology Park Pvt. Ltd., SKIL Advanced Systems Private Limited ('SASPL') and SKIL (Singapore) Pte. Ltd. There are three Associate Companies as on March 31, 2018, Rosoboronservice (India) Limited, Navi Mumbai Smart City Infrastructure Limited and Urban Infrastructure Holdings Private Limited. Sohar Free Zone LLC is the Joint Venture of the Company.

Out of the aforesaid Subsidiary Companies, Pipavav Electronic Warfare Systems Private Limited have submitted an application to the Registrar of Companies on April 13, 2018 for striking-off the name under Fast Track Exit (FTE) Mode pursuant to Section 248 of Companies Act, 2013. Further, during the year under review, Navi Mumbai Smart City Infrastructure Limited (NMSCIL) ceased to be the Subsidiary of the Company. Thus, Orange Smart City Infrastructure Private Limited (OSCIPL) which is the Subsidiary of NMSCIL, ceased to be the step down subsidiary of the Company.

The Company, as informed earlier, had utilized the sale proceeds of sale of equity shares of Reliance Naval and Engineering Limited (RNEL), (Erstwhile Reliance Defence and Engineering Limited / Pipavav Defence and Offshore Engineering Company Limited) to Reliance (ADAG) Group, towards reduction of debt of the Company. The Company had entered into Purchase Agreement (PA) with Reliance Defence Systems Private Limited (RDSPL) and Reliance Infrastructure Limited (R-Infra) (Reliance Anil Dhirubhai Ambani Group Companies) in March, 2015 under which there was an obligation on part of Reliance to ensure the release of all securities i.e Corporate Guarantee, Undertakings, Pledge of shares, etc. provided by the Company and its Promoters to lenders of RNEL for securing the debt of RNEL. Reliance, however, failed to comply with their obligation to get the said securities released / discharged by RNEL Lenders. Accordingly, on March 03, 2018, the Company issued legal notice to Reliance for breach of the PA and claimed losses. Reliance also issued an Arbitration notice to the Company asserting the claims for breach of warranties under the said PA which has been contested by the Company as false and baseless. On account of default by RNEL towards its obligation to pay to RNEL Lenders, the Security Trustee on behalf of lenders of RNEL, invoked the Corporate Guarantee of the Company and the shares pledged by the Company and SKIL Shipyard Holdings Private Limited (SSHPL), despite the Company and SSHPL, not being the promoters of RNEL. The Company has already filed a suit in Ahmedabad Court challenging the unjustified, wrong and illegal invocation of securities by RNEL Lenders. The matter is now sub-judice.

As required under SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015, Companies Act, 2013 ('the Act') and the applicable Accounting Standards, the Consolidated Financial Statements of the Company and its Subsidiary Companies, Joint Venture, Associate Company forms part of this Annual Report. The Un-Audited Financial Statements of SKIL (Singapore) Pte. Ltd., subsidiary of the Company, has been considered for the purpose of consolidation. However, the financial statements of Associate Companies 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/investor\\_pdf/Policy%20on%20Material%20Subsidiaries.pdf](http://www.skilgroup.co.in/investor_pdf/Policy%20on%20Material%20Subsidiaries.pdf).

### **Extract of Annual Return**

Pursuant to the provisions of Section 92(3) of the Companies Act, 2013 read with the Rules thereto and according to the Companies (Amendment) Act, 2017 vide notification dated July 31, 2018 an Extract of the Annual Return of the Company as on March 31, 2018, in the prescribed Form MGT-9 is provided on the website of the Company at the link: <http://www.skilgroup.co.in/annual-reports>.

### **Details of Directors**

Appointment of directors on the Board of the Company is based on the recommendations of Nomination and Remuneration Committee (NRC). NRC identifies and recommends to the Board, persons of appointment on the Board, after considering the necessary and desirable competencies. NRC takes into account positive attributes like skills, regional and industry experience, background with due regard for the benefits in diversifying the Board.

During the year under review, Mr. Shankar Aggarwal, on the recommendation of NRC and on the approval of Board, has been appointed as an Additional Director w.e.f December 26, 2017 and thereafter, he has been appointed as the Whole Time Director of the Company w.e.f February 08, 2018, subject to the approval of the Members at the ensuing Annual General Meeting for a term of three years, liable to retire by rotation. Mr. U. B Singh resigned from the directorship of the Company as Managing Director & Chief Executive Officer w.e.f May 15, 2018. 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. Nikhil Gandhi (DIN: 00030560) 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 Notice of the ensuing AGM of the Company.

In case of Independent Directors (ID) they should fulfill the criteria of independence as per the Act and Regulation 25 of the SEBI (LODR) Regulations, 2015 in addition to the general criteria stated above. It is ensured that a person to be appointed as a Director has not suffered any disqualification under the Act or any other law to hold such office.

During the year under review, Mr. Rakesh Mohan on the recommendation of NRC and further approval of Board, has been appointed as an Additional Independent Director on November 14, 2017 subject to approval of the members, at the ensuing AGM for a fixed term of five years w.e.f September 28, 2018 till September 27, 2023.

As per SEBI (LODR) Amendment Regulations, 2018, no listed entity shall appoint a person or continue the directorship of any person as Non-Executive Director who has attained the age of seventy five years unless a Special Resolution is passed to that effect.



Mr. J. Alexander and Mr. V. Ramanan, who have already attained 75 years, were appointed as Independent Directors of the Company. The Board has recommended to the members to pass the Resolution as Special Resolution for their existing term.

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

#### **Key Managerial Personnel**

In terms of provisions of Section 203 of the Companies Act, 2013, Mr. Shankar Aggarwal, Whole Time Director, Mr. Shekhar Gandhi, Chief Financial Officer and Mr. Nilesh Mehta, Company Secretary are the Key Managerial Personnel of your Company

#### **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 I**.

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, 2018 are mentioned in the Extract of the Annual Return i.e MGT-9, which is provided on the website of the Company at the link <http://www.skilgroup.co.in/annual-reports>.

#### **Performance Evaluation**

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

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

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

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

#### **Directors Responsibility Statement**

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

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 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.

#### **No Frauds reported by statutory auditors**

There is no instance of frauds reported by the statutory auditors of the Company for the financial year under review under sub-section (12) of Section 143 of the Companies Act, 2013.

### **Declaration by the Independent Directors**

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Independent Director's Meetings**

The Independent Directors met without the attendance of Non- Independent Directors and the members of the Management. The Independent Directors 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.

### **Number of Board Meetings**

During the Financial Year 2017-18, six meetings of the Board of Directors of the company were held on May 09, 2017, May 30, 2017, June 24, 2017, August 30, 2017, November 14, 2017 and February 08, 2018. 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**

Presently, the Audit Committee comprises of Mr. V. Ramanan (Chairman), Mr. J. Alexander, Ms. Gayathri Ramachandran and Mr. Shankar Aggarwal 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 of 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 II**.

### **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 of 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/investor\\_pdf/CSR%20Policy.pdf](http://www.skilgroup.co.in/investor_pdf/CSR%20Policy.pdf)

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

### **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/investor\\_pdf/Familiarisation%20Programme%20for%20IDs.pdf](http://www.skilgroup.co.in/investor_pdf/Familiarisation%20Programme%20for%20IDs.pdf)

### **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 behavior, 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/investor\\_pdf/Whistle%20Blower%20Policy.pdf](http://www.skilgroup.co.in/investor_pdf/Whistle%20Blower%20Policy.pdf)

## **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 organization 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 (MDA) Report forming part of the Board's Report.

## **Statutory Auditors:**

As per the provisions of Section 139(2) of the Companies Act 2013, the existing statutory auditors M/s. Kailash Chand Jain & Co., Chartered Accountants were appointed by the members of the Company in the last Annual General Meeting to hold the office of the Statutory Auditors till the conclusion of 39<sup>th</sup> Annual General Meeting.

The requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting is done away with vide notification dated May 07, 2018 issued by the Ministry of Corporate Affairs. Accordingly, no resolution is proposed for ratification of appointment of Statutory Auditors who were appointed in the Annual General Meeting held on September 29, 2017. Hence, the resolution to continue the appointment of M/s. Kailash Chand Jain & Co., Chartered Accountants (Registration no: 112318W) as the Statutory Auditors of the Company, for the balance term has been placed before the Members for approval.

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

## **Auditors' Report**

The Auditors' Report to the Members on the Accounts of the Company for the financial year ended March 31, 2018, does not contain any qualification. The observation in the Auditor's Report by M/s. Kailash Chand Jain & Co., Chartered Accountants have been dealt with in the relevant Notes to Accounts, which are self - explanatory.

## **Internal auditors:**

M/s. RSV & Co., Chartered Accountants, Pune, 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 M/s. Malay Shah & Associates, Practicing Company Secretary, Mumbai, as its Secretarial Auditors to conduct the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018, is as annexed to this report as **Annexure IV**. As specified in the said report, there has been a delay/non-filing of few forms/returns due to unavailability of requisite information/technical issues. With respect to other observations, the Secretarial Audit Report is self-explanatory and the 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/investor\\_pdf/Policy-Related%20Party%20Transaction.pdf](http://www.skilgroup.co.in/investor_pdf/Policy-Related%20Party%20Transaction.pdf) 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 during the year under review, 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. The disclosures on related party transactions are made in the Notes to the Financial Statements of the Company. The particulars of related party transactions in prescribed Form No. AOC - 2 are annexed to this Report as **Annexure V** except those disclosed in the notes to the Financial Statements.

## **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 and the Foreign Exchange Outgo is Nil.

### **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 I**.

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, 2018. 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 SEBI (Listing Obligations and Disclosure Requirements) 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 M/s. Malay Shah & Associates, Practicing Company Secretary is annexed to this Report as **Annexure V**.

### **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's equity shares are listed on NSE and BSE.

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

The matter of Stamp Duty of Rs. 25 Crores on account of Scheme of Amalgamation & Arrangement, the Company has filed the writ petition before the Hon'ble High Court, Bombay challenging the order passed by the concerned authority. Meanwhile the Revenue Authority has initiated recovery proceedings against the assets of the Company despite the matter being sub-judice and the same shall be resolved through the judicial process.

### Remuneration to Ex Managing Director and Chief Executive officer

Since Ministry of Corporate Affairs (MCA) has not approved the application of remuneration of Mr. Ajay Khera, Ex- MD & CEO, the Company has written off the liability for payment of the dues and he has not held any amount in trust. In the case of Mr. U.B. Singh, MD & CEO, of the Company during the year under review, the Company has filed application to the MCA for approval of remuneration which is pending with MCA. Accordingly payment made to Mr. U.B. Singh is held in Trust by 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, 2018 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 14, 2018

**Nikhil Gandhi**

Chairman

### ANNEXURE I 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 2017-18 and percentage increase in remuneration of each Director and KMP in the financial year 2017-18:**

Name	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase/ decrease in remuneration during FY 2017-18
Mr. Nikhil Gandhi	Chairman	-	-
Mr. Bhavesh Gandhi	Vice Chairman	-	-
Mr. U.B Singh	Managing Director & Chief Executive Officer	10.08	-
Mr. Shankar Aggarwal*	Whole Time Director	NA	-
Mr. Shekhar Gandhi	Chief Financial Officer	NA	-
Mr. Nilesh Mehta	Company Secretary	NA	-

Note:

\* Mr. Shankar Aggarwal was Appointed w.e.f. February 08, 2018.

(ii) **The percentage increase in the median remuneration of employees in the financial year:** 12.03

(iii) **The number of permanent employees on the rolls of the Company:** 12 Employees as on March 31, 2018.

(iv) **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:** Average percentile increase in the salaries of employees other than the managerial personnel is 12. There has been no increase in the Managerial Remuneration during the financial year 2017-18. Hence, comparison is not applicable.

(v) **Affirmation that the remuneration is as per the Remuneration Policy of the Company:** It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

**ANNEXURE II 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 Regulation 19 and Part- D of Schedule II of SEBI ( Listing Obligations and Disclosure Requirements) Regulations, 2015 which became effective from December 1, 2015 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 III 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/investor\\_pdf/CSR%20Policy.pdf](http://www.skilgroup.co.in/investor_pdf/CSR%20Policy.pdf)

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 were 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.

**Shankar Aggarwal**  
Whole time Director

**Nikhil Gandhi**  
Chairman of CSR

**ANNEXURE IV TO THE DIRECTORS' REPORT**

**FORM NO. MR-3**

**SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 2018

[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

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

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2018, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2018 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 to the Company 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.

We report that

1. The Company has appointed Mr. U B Singh as Managing Director and CEO, subject to Central Government approval. Necessary application to Ministry of Corporate Affairs for payment of remuneration, pending approval, a sum of Rs. 19 lakhs has been paid to him towards his remuneration.
2. The Company has not filed form CHG 1 for amount borrowed, as necessary documents has not been received from the lenders.
3. The Company is in process of filing of annual return on foreign assets and liabilities with RBI, which was delayed due to technical reasons, as informed by the Management.

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.

I further report that during the audit period, the Company has undertaken event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above viz.

- (i) Resignation of Mr. Ajay Kherra as Managing Director;
- (ii) Appointment and Resignation of Mr. U B Singh as Managing Director and CEO;
- (iii) Appointment of Mr. Shankar Aggarwal as Whole Time Director;
- (iv) Appointment of Mr. Shekhar Gandhi as Chief Financial Officer w.e.f May 9, 2017.
- (v) Appointment of M/s. Kailashchand Jain & Co. as Statutory Auditor upon completion of term of M/s. Bharat Shah & Associates as Statutory Auditor.

**For Malay Shah & Associates  
Company Secretaries**

**Malay Shah  
Proprietor**

Place: Mumbai

Date : August 14, 2018

ACS No: 28281

CP No: 12820

**Note: This report is to be read along with Annexure A as mentioned below and which 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 14, 2018

ACS No: 28281  
CP No: 12820

**ANNEXURE V TO THE DIRECTORS' REPORT**  
**REPORT ON CORPORATE GOVERNANCE**

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

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

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

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

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

As on March 31, 2018, the Board consists of Eight Directors including 1 Non-Executive Chairman, 1 Non-Executive Vice-Chairman, 2 Executive Directors and 4 Independent Directors. Out of the 4 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, 2018, are given below:

Name of the Director	Category of Directorship	Designation	Other Directorships as on March 31, 2018. [Refer 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	0	--	-
Mr. Bhavesh Gandhi	Promoter, Non- Executive, Non-Independent	Vice -Chairman	0	--	--
Mr. U.B Singh	Executive, Non- Independent	MD & CEO	6	--	4
Mr. Shankar Aggarwal	Executive, Non- Independent	Whole Time Director	3	--	--
Mr. J. Alexander	Non-Executive, Independent	Independent Director	6	2	1
Ms. Gayathri Ramachandran	Non-Executive, Independent	Independent Director	9	1	3
Mr. V. Ramanan	Non-Executive, Independent	Independent Director	8	2	1
Mr. Rakesh Mohan	Non-Executive, Independent	Independent Director	3	--	--

**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.

\*Mr. U.B Singh resigned from the directorship of the Company w.e.f May 15, 2018 as Managing Director & Chief Executive Officer.

**(ii) Meetings and Attendance during the year ended March 31, 2018:**

During the financial year 2016-17, 6 (Six) Meetings of the Board of Directors were held on May 09, 2017, May 30, 2017, June 24, 2017, August 30, 2017, November 14, 2017, and February 08, 2018. The attendance of each Director at the said Board Meetings and at the 34<sup>th</sup> Annual General Meeting held on September 29, 2017, 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	6	5	No
Mr. Bhavesh Gandhi	6	5	No
Mr. U.B Singh	6	6	Yes
Mr. Shankar Aggarwal	1	1	NA
Mr. J. Alexander	6	6	Yes
Ms. Gayathri Ramachandran	6	3	No
Mr. V. Ramanan	6	5	No
Mr. Rakesh Mohan	2	2	NA

**Note:** No. of Board Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2017-18.

**(iii) Shareholding of Directors as on March 31, 2018:**

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.

**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 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 Personnel which gives the Audit Committee a deeper insight into the workings.

**(ii) Composition:**

The Company’s Audit Committee comprises three Independent Directors i.e Mr. V. Ramanan (Chairman), Ms. Gayathri Ramachandran, Mr. J. Alexander and one Executive Director i.e Mr. U.B Singh 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 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, 2018:**

During the financial year 2017-18, 4 (Four) Meetings of the Members of Audit Committee were held on May 30, 2017, August 30, 2017, November 14, 2017 and February 08, 2018. 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 [Refer Note (i)]	Attended
1.	Mr. V. Ramanan	4	4
2.	Mr. J. Alexander	4	4
3.	Ms. Gayathri Ramachandran	4	3
4.	Mr. U.B Singh	4	4

**Note:** (i) No. of Meetings held reflects the no. of meetings held in the tenure of the concerned Director in financial year 2017-18.

(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, 2018, 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, 2018:

During the financial year 2017-18, 2 (Two) Meetings of the Members of Nomination and Remuneration Committee was held on May 09, 2017 and February 8, 2018. 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	2	2
2.	Mr. Nikhil Gandhi	2	2
3.	Ms. Gayathri Ramachandran	2	1
4.	Mr. V. Ramanan	2	1

**Note:** The previous Annual General Meeting held on September 29, 2017 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 Independent Directors for attending the Meetings of the Board of Directors, Committee Meetings including 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.

#### 5. REMUNERATION OF DIRECTORS FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018:

Details of remuneration to the Directors of the Company during the year ended March 31, 2018, are as follows:

Sr. No.	Name of Director	Sitting Fees	Salary & Perquisites	Total (Amount in Rs.)
1.	Mr. Nikhil Gandhi	-	-	-
2.	Mr. Bhavesh Gandhi	-	-	-
3.	Mr. U.B Singh	-	19,00,000	19,00,000
4.	Mr. Shankar Aggarwal	-	20,00,000	20,00,000
5.	Mr. J. Alexander	2,60,000	-	2,60,000
6.	Mr. V. Ramanan	2,20,000	-	2,20,000
7.	Ms. Gayathri Ramachandran	1,60,000	-	1,60,000
8.	Mr. Rakesh Mohan	40,000	-	40,000

**(i) 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 who are related to each other as brothers, are the Promoters of the Company.

**(ii) Employee Stock Option Scheme:**

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

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE:**

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, 2018 the Stakeholders Relationship Committee comprises 4 (Four) Directors, viz. Ms. Gayathri Ramachandran (Chairperson), Mr. Nikhil Gandhi, Mr. J Alexander and Mr. U.B Singh as Members . During the financial year 2017-18, no meeting of the Stakeholders Relationship Committee was held.

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

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

**(iii) Details of shareholders complaints/queries received and resolved during the year ended March 31, 2018:**

Pending as on April 1, 2017	Received during the year	Resolved during the year	Pending as on March 31, 2018
Nil	2	2	Nil

**7. 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, 2018, 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, 2018:**

During the financial year 2017-18, 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)

**8. 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 08, 2018, 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.

All the four Independent Directors viz., Mr. J. Alexander, Ms. Gayathri Ramachandran, Mr. V. Ramanan and Mr. Rakesh Mohan, who are the Members of Independent Directors' Committee, were present in the Meeting and the Meeting was chaired by Mr. J. Alexander.

**9. 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.

**10. FAMILIARISATION PROGRAMME:**

In accordance with the requirement of 25(7) 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/familiarization-programmes-to-ids>

**11. GENERAL BODY MEETINGS:**

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

Year	Location	Date	Time
2016-17	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001	29.09.2017	14:30 Hours
2015-16	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001	27.09.2016	14:30 Hours
2014-15	Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai – 400 001	28.12.2015	15:00 hours

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

Date of AGM	Special Resolution passed
29.09.2017	(i) For appointment of Mr. U.B Singh as Managing Director & CEO for a period of two years effective from May 09, 2017 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.
27.09.2016	None
28.12.2015	None

**(iii) Special Resolution passed during the previous financial year 2016-17 through Postal Ballot – details of voting pattern:**

There was no Special Resolution passed during the Financial Year 2016-17 through Postal Ballot.

**(iv) Special Resolution passed during financial year 2017-18 through Postal Ballot – details of voting pattern:**

No such Special Resolution was passed through Postal Ballot.

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

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

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

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

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

**12. 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.

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/investor\\_pdf/Policy-Related%20Party%20Transaction.pdf](http://www.skilgroup.co.in/investor_pdf/Policy-Related%20Party%20Transaction.pdf)

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

No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authorities in any matter related to capital markets, during the last 3 years except on account 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:**

Pursuant to the provisions of Regulation 22 of Listing Regulations and Section 177 of the Companies Act, 2013, the Company has adopted a Whistle Blower Policy / Vigil Mechanism which encourages the Whistle Blower to report genuine concerns about unethical behavior, 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/investor\\_pdf/Whistle%20Blower%20Policy.pdf](http://www.skilgroup.co.in/investor_pdf/Whistle%20Blower%20Policy.pdf)

**(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 SEBI (LODR) Regulations, 2015 relating to Corporate Governance. In addition to it, the Company has also complied with non mandatory requirement such as Internal Auditor reported to the Audit Committee about the Audit Observations made by them and necessary steps were taken by the Management to rectify the same.

**13. 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 Mumbai Lakshadeep, 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). There was no Analyst or Institutional Investor meet and no presentation was made to them during the financial year 2017-18.

**14. GENERAL SHAREHOLDER INFORMATION:**

**(i) 35<sup>th</sup> Annual General Meeting:**

Date :	Friday, September 28, 2018
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, 2019, are as follows:

	Event	Tentative Dates
1	Financial reporting for the quarter ended June 30, 2018	On or before August 14, 2018
2	Financial reporting for the quarter ended September 30, 2018	On or before November 14, 2018
3	Financial reporting for the quarter ended December 31, 2018	On or before February 14, 2019
4	Financial reporting for the quarter and year ended March 31, 2019	On or before May 30, 2019
5	Annual General Meeting for the year ending March 31, 2019	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 22, 2018 to Friday, September 28, 2018 (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

The Company has paid listing fees to the National Stock Exchange of India Limited (NSE) and BSE Limited for the FY 2018-2019.

**(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:**

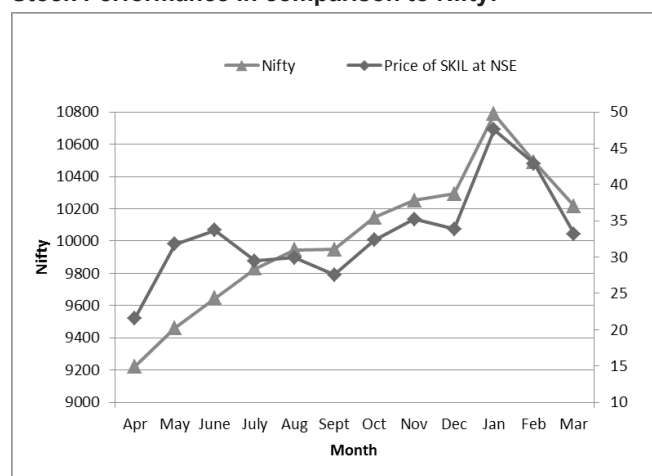
High and low of market prices of the Company's Equity Shares traded on NSE during the financial year were as follows:

Month & Year	High (Rs.)	Low (Rs.)
April, 2017	23.4	19.75
May, 2017	41.25	22.35
June, 2017	37.75	29.70
July, 2017	33.50	25.50
August, 2017	33.80	26.10
September, 2017	30.85	24.30
October, 2017	41.40	23.25
November, 2017	39.95	30.55
December, 2017	36.65	31.15
January, 2018	56.95	38.20
February, 2018	49.50	36.30
March, 2018	39.80	26.55

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, 2017	23.50	19.00
May, 2017	41.30	22.40
June, 2017	37.00	29.70
July, 2017	33.00	26.00
August, 2017	33.90	25.60
September, 2017	30.65	24.50
October, 2017	41.50	23.50
November, 2017	39.50	31.35
December, 2017	36.75	32.00
January, 2018	55.65	38.45
February, 2018	49.30	35.65
March, 2018	39.90	26.85

**(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 : [mnt.helpdesk@linkintime.co.in](mailto:mnt.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, 2018:**

No. of Shares	No. of Shareholders	% of Shareholders	Shares	% to Total
1 - 500	3741	65.91	5094930	0.24
501 - 1000	674	11.87	5958910	0.28
1001 - 2000	427	7.52	6951650	0.32
2001 - 3000	164	2.89	4296280	0.20
3001 - 4000	86	1.51	3180880	0.15
4001 - 5000	110	1.94	5317130	0.25
5001 - 10000	204	3.59	16121630	0.74
10001 & above	270	4.77	2118790910	97.82
<b>Total</b>	<b>5676</b>	<b>100.00</b>	<b>2165712320</b>	<b>100.00</b>

**(xii) (b) Shareholding Pattern (categories of shareholders) as on March 31, 2018:**

Category	No. of Shares held	% of Total shareholding
Promoter and Promoter Group	136031428	62.81
Foreign Venture Capital / Foreign Portfolio Investors / Foreign Company / OBCs / NRI	16357251	7.55
Bodies Corporate	41597489	19.21
Indian Public	14104581	6.51
Others	8480483	3.91
<b>Total</b>	<b>216571232</b>	<b>100.00</b>

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

Out of 216,571,232 Equity Shares, 216529164 Equity Shares (i.e. 99.98%) are in electronic/dematerialization form with the Depositories i.e. NSDL and CDSL, as on March 31, 2018. 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) Commodity price risk or foreign exchange risk and hedging activities:** During the year under review, Company did not engage in Commodity price or foreign exchange hedging activities.

**(xvi) Plant location:** Not Applicable, as the Company is not having any plant.

**(xvii) Address for Investor Correspondence:**

Shareholders may correspond with:

- i) 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.
- ii) Respective Depository Participants (DPs) for shares held in demat mode. Members are required to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.
- iii) Members may contact the Compliance Officer at the Registered Office address of the Company at SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023, Email ID: [contact@skilgroup.co.in](mailto:contact@skilgroup.co.in)

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

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

**15. 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/investor\\_pdf/Policy%20on%20Material%20Subsidiaries.pdf](http://www.skilgroup.co.in/investor_pdf/Policy%20on%20Material%20Subsidiaries.pdf) The Audit Committee reviews the financial statements of the subsidiary companies and the investments made by its unlisted subsidiaries.

**16. 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 in lieu of Chief Executive Officer is annexed to this Annual Report.

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

The Company has a 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/investor\\_pdf/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20UPSI.pdf](http://www.skilgroup.co.in/investor_pdf/Code%20of%20Practices%20and%20Procedures%20for%20Fair%20Disclosure%20of%20UPSI.pdf)

**18. 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 which is annexed to this Annual Report.

**19. 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 March 31, 2018, as stipulated, provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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 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 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 14, 2018**

**Malay Shah**  
**Practicing Company Secretary**  
**ACS No.: 28281; CP No.:12820**

**Certificate under Regulation 17(8) read with Schedule II-Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from Executive Director and Chief Financial Officer**

A) We, Shankar Aggarwal, Whole time Director in lieu of Chief Executive Officer 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 our 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 28, 2018**  
**Place: Mumbai**

**Shekhar Gandhi**  
**Chief Financial Officer**

**Shankar Aggarwal**  
**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, 2018 has been confirmed by the Board Members and Senior Management Personnel of the Company.

**Date: May 28, 2018**  
**Place: Mumbai**

**Shankar Aggarwal**  
**Whole time Director**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT (2017-18)****INDUSTRY STRUCTURE & DEVELOPMENTS:**

The Company is in the business of developing pioneering high-growth infrastructure projects having successfully developed various first-of-its-kind-in-the-country projects such as port, railway, special economic zone, shipyard etc.

Infrastructure sector is a key propeller of India's overall development and has drawn high focus and thrust from the government for 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. Government has planned to invest around Rs. 6 lakh crore in creating and upgrading infrastructure in FY 2018-19.

**OPPORTUNITIES & THREATS:**

With the government's MAKE-IN-INDIA policy, greater impetus is being accorded to set up huge manufacturing sector in five industrial corridors coming up across the country. To accommodate the manufacturing sector related workforce, world-class urban infrastructure is required to be developed along these corridors. The government, in Union Budget 2018, has proposed an outlay of Rs.2.04 lakh crore for building 100 smart cities, many of them along the industrial corridors across the country.

To obviate traditional cost and time overruns associated with government-led project execution, the government is looking forward to private sector participation in infrastructure development with a target of meeting 50% investments from private sector (of the proposed Rs. 6 lakh crores). This has opened new vistas for private players, especially EPC companies, to become a partner in national infrastructure building by grabbing the opportunity.

However, considering the magnitude of the government's infrastructure development plans, major threats and challenges are:

- (a) To ensure adequate and timely funding given the stressed balance sheets of major banks.
- (b) To maintain environment sustainability despite massive urbanisation/industrialization.
- (c) To engage capable domestic EPC players who can deliver within stipulated time and cost.
- (d) To have expeditious litigation-free land acquisition to complete the projects as planned.
- (e) To have a faster and improved dispute resolution mechanism whereby project related issues are settled in reasonable time to avoid project stalling for a lengthy period.

**SEGMENT-WISE or PRODUCT-WISE PERFORMANCE:**

The Company has a very strong brand and presence in the industry as being one of the leading infrastructure development companies in India with proven track record of having successfully conceptualized and developed various mega green field infrastructure projects. The Company is suitably placed and poised to exploit the huge opportunity horizon of India's infrastructure space.

**OUTLOOK:**

With initiatives like 'Housing for All' and 'Smart Cities Mission', the Government is working on reducing bottlenecks impeding growth in the infrastructure sector. Apart from recapitalization of public sector banks which will bolster credit flows further and ease their stressed assets situation; the permission for 100% FDI under the automatic route across various infrastructure sectors will have positive impact on investment demand. The government is also looking forward to effective improvement in its policies implementation especially with respect to infrastructure related reforms so that the sector is attractive enough for private sector.

The Company will continue to focus on development of infrastructure projects such as Smart City, Urban Infrastructure, SEZ, Port, Logistics Park, Industrial Park, Industrial Township, Recreational Infrastructure etc. critical for the country perspective and also for the benefit of all the stake holders on its own or through suitable joint ventures. The Company will utilize its experience and expertise in the sector of port, railways, logistics, urban infrastructure and other such skill oriented sectors while making full use of government's Make In India policy.

The Company, as part of its strategy to pare its debt, is making efforts to divest from specific assets by unlocking the value of such investments.

**RISKS & CONCERNS:**

India's regulatory framework and safety standards for infrastructure development are still evolving and requires systemic considerations for risk mitigation. However, given the pace and scale of urban growth in India, current efforts may be insufficient to ensure planned urbanisation across the country. Existing infrastructure standards may not factor in resilience adequately thereby potentially increasing the risk. At the same time, the urbanisation (and the resultant increased concentration of population and assets) poses greater challenges for equivalent and effective disaster/risk management.

Another major concern is the infrastructure deficit which needs expeditious and enhanced investment currently not at par with the needs of the economy. However, industry is hopeful that RBI would lower interest rates to boost investment and consumption activity resulting into higher economic growth.

It is also imperative that infrastructure development occurs in a sustainable manner in India, if the impact of climate change is to be slowed to broadly acceptable levels. The government must ensure that rapid growth does not happen at an untenably high environmental cost and success of 'green growth' is achieved as desired. New infrastructure must not only support social and economic goals, it must also do so within acceptable environmental parameters.

Your Company is in a highly capital intensive segment of the industry and the Company's growth will be influenced, to a large extent, by availability of affordable funding. Slow and high-cost funding causes pressure on the working capital ultimately impacting the profitability of the business. Further, while there is strong optimism about the government's infrastructure reforms; yet still the industry remains guarded about its long-term sustainability considering that infrastructure projects are long-term delivery oriented.

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

The Company has adopted Indian Accounting Standards (Ind-AS) with effect from 1<sup>st</sup> April, 2017 which mandates calculating/re-measuring the Company's investment, financial liabilities and assets at fair value as at 1<sup>st</sup> April, 2016. In accordance with this transition from previous GAAP to Ind AS, the Company had to factor in certain finance costs on account of said re-measurement of its financial liabilities resulting into addition to its total finance cost. The Company management reviewed the financial statements and noted the changes arising out of transition from GAAP to Ind AS.

The Company's total revenue stands as Rs. 207.54 lacs during the FY 2017-18 compared to Rs. 1,493.35 lacs for the previous financial year. The loss before exceptional items and tax is Rs. 27,140.45 lacs for the FY 2017-18 as against loss of Rs. 16,484.06 lacs for the previous financial year.

#### **INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY:**

As part of internal control systems, the 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 continues to follow effective system of internal controls ensuring the accurate, reliable and timely preparation of accounting/financial information, securing the assets and interest of the Company as well as shareholders and adhering to various laws and regulations.

The Audit Committee reviews at periodic intervals the adequacy and effectiveness of the Internal Control Systems with the internal and statutory auditors. Recommendations on improvement, if any, pointed out during such reviews are reported to the top management and compliance of the same is implemented.

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS:**

The Company understands the value of its Human Resources and therefore focuses on creating a healthy and creative working culture and environment that enables the Company to attract and retain the competent talent. The employees are provided motivation to remain encouraged to contribute to the Company's growth on a continuous basis. 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., SKIL Singapore Pte Ltd., Chiplun FTWZ Pvt. Ltd., SKIL-Himachal Infrastructure and Tourism Ltd., are in the process of getting the desired approvals for respective projects.

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## STANDALONE AUDITORS' REPORT

### TO THE MEMBERS OF SKIL INFRASTRUCTURE LIMITED

#### Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Standalone Ind AS Financial Statements of **Skil Infrastructure Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Standalone Ind AS Standalone Ind AS 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 standalone Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India (Indian GAAPs), including Indian Accounting Standards (Ind AS) 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Standalone Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Standalone Ind AS 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 Standalone Ind AS Financial Statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs (Financial Position) of the company as at 31st March ,2018 and its loss (Financial Performance including other comprehensive income), its cash flow and the changes in equity 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 Standalone Ind AS Financial Statements comply with the Indian 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters included in the Auditor’s Report and to our best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There were no amounts which required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Kailash Chand Jain & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 112318W**

**Saurabh Chouhan**  
**Partner**  
**Membership No. 167453**

**Place : Mumbai**  
**Date : 28.05.2018**

### 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, 2018. 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 Standalone Ind AS 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 funds, goods and service tax 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 2018, for the period of more than six months from the date becoming payable except the following.

Particulars	Amount in lacs
Income tax(TDS)	Rs. 398.22
Income tax liability	Rs. 224.82
Intrest payable on TDS	Rs. 671.66
Stamp duty payable	Rs. 2500.00
<b>Total</b>	<b>Rs. 3780.25</b>

- (b) According to the information and explanations given to us there are no dues of Income Tax, Wealth Tax, Goods and Service Tax , Customs Duty, Excess Duty, VAT, Goods and Service tax and cess on account of any dispute which have not been deposited except in certain cases. The disputed statutory dues aggregating to Rs. 7778.00 Lacs have not been deposited on account of disputed matters pending before the appropriate authorities as under

Name of the Statue	Nature of the dues	Year	Amount (Rs. in lacs)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Regular assessment dues	Assessment Year 2009-10	33.00	ITAT (Appeals)- Mumbai
Income Tax Act, 1961	Income tax block assessment dues	Assessment Year 2009-10	352.00	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular assessment dues	Assessment Year 2010-11	172.00	ITAT (Appeals)- Mumbai
Income Tax Act, 1961	Income tax block assessment dues	Assessment Year 2010-11	621.00	ITAT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax regular assessment dues	Assessment Year 2011-12	180.00	ITAT (Appeals)- Mumbai
Income Tax Act, 1961	Income tax block assessment dues	Assessment Year 2011-12	155.00	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income tax block assessment dues	Assessment Year 2012-13	77.00	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income tax block assessment dues	Assessment Year 2013-14	430.00	ITAT (Appeals)- Mumbai

Income Tax Act, 1961	Income Tax Regular assessment dues	Assessment Year 2014-15	1420.00	CIT (Appeals)- Mumbai
Income Tax Act, 1961	Income Tax Regular assessment dues	Assessment Year 2015-16	2770.00	CIT (Appeals)- Mumbai
Maharashtra Stamp Act	Penalty on Stamp Duty	Assessment Year 2015-16	1568.00	High Court
<b>Total</b>			<b>7778.00</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 2018, 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. 31,976.15 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	7,845.62	Sep-15	3,109.89	Sep-15
2	Loan From Union Bank of India	575.14	Mar-16	99.81	Apr-17
3	Loan From Central Bank of India_III	5,000.00	Mar-16	2,057.92	Jul-15
4	Loan From IDBI Bank - 070167310000028-CC	818.58	Nov-16	-	-
5	Loan From IDBI BANK-1	2493.97	Oct-16	-	-
6	Loan From IDBI FITL I BANK-2	18.06	Sep-16		Mar-17
7	Loan From IDBI BANK FITL II-3	6.81	Oct-15	16.90	Mar-17
8	Loan from Reliance Commercial	9000.00	June -17	933.45	May-17
<b>Total</b>		<b>25,758.18</b>		<b>6,217.97</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 Standalone Ind AS 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 Standalone Ind AS Financial Statements etc, as required by the applicable Ind 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 451A of The Reserve Bank of India Act, 1934. Therefore the provision of clause (xvi) of para 3 is not applicable.

**For Kailash Chand Jain & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 112318W**

**Saurabh Chouhan**  
**Partner**  
**Membership No. 167453**

**Place : Mumbai**  
**Date : 28.05.2018**

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE IND AS 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, 2018 in conjunction with our audit of the Standalone Ind AS Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on 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, to the best of our information and according to the explanation given to us, 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, 2018, 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.

**For Kailash Chand Jain & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 112318W**

**Saurabh Chouhan**  
**Partner**  
**Membership No. 167453**

**Place : Mumbai**  
**Date : 28.05.2018**



**BALANCE SHEET AS AT MARCH 31, 2018**

(Rs. in Lacs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I ASSETS</b>				
<b>(1) Non Current Assets</b>				
Property, Plant and Equipment	2	22,033.02	22,067.45	22,136.27
Capital Work in Progress	3	27,620.07	27,620.07	23,156.35
Intangible Assets		-	0.69	1.38
Financial Assets				
Investments in Subsidiaries and joint venture	4	20,525.42	20,525.42	20,525.42
Investments	5	3,39,901.89	4,49,548.21	4,63,612.54
Other Financial Assets	6	10,744.18	11,638.83	11,885.42
Other Non Current Assets	7	6,246.04	6,246.04	6,246.04
Non Current Tax	8	1,780.60	1,779.87	1,778.05
		<b>4,28,851.22</b>	<b>5,39,426.58</b>	<b>5,49,341.47</b>
<b>(2) Current Assets</b>				
Financial Assets				
Current Investments	9	168.43	617.31	1,155.19
Trade Receivables	10	-	-	380.86
Cash and Cash Equivalents	11	81.51	1.40	1,551.28
Other Bank Balances	12	1.44	209.48	162.13
Other Current Financials Assets	13	89,275.41	45,874.67	35,185.57
Other Current Assets	14	2.48	2.28	14.76
		<b>89,529.27</b>	<b>46,705.14</b>	<b>38,449.79</b>
		<b>5,18,380.49</b>	<b>5,86,131.72</b>	<b>5,87,791.26</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
Share Capital	15	21,657.12	21,657.12	21,657.12
Other Equity	16	2,39,097.78	2,89,254.85	3,05,774.63
		<b>2,60,754.90</b>	<b>3,10,911.97</b>	<b>3,27,431.75</b>
<b>(2) Liabilities</b>				
<b>Non Current Liabilities</b>				
Financial Liabilities				
Borrowings	17	1,27,688.96	1,62,220.45	1,67,131.28
Provisions	18	27.83	18.38	17.37
Deferred Tax Liabilities (net)	19	-	0.43	-
		<b>1,27,716.79</b>	<b>1,62,239.26</b>	<b>1,67,148.65</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	20	3,700.00	3,700.00	4,519.00
Trade Payables	21			
(i) Due to Micro and Small Enterprise				368.20
(ii) Due to others		-	-	
Other Current Financial Liabilities	22	82,314.41	61,118.17	46,265.89
Other Current Liabilities	23	43,840.66	48,107.81	41,996.36
Current Provisions	24	53.74	54.51	61.41
		<b>1,29,908.80</b>	<b>1,12,980.49</b>	<b>93,210.86</b>
		<b>5,18,380.49</b>	<b>5,86,131.72</b>	<b>5,87,791.26</b>
Significant Accounting Policies	1			
Notes to the Financial Statements	2 to 40			

**AS PER OUR REPORT OF EVEN DATE**

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453

**Date : 28-05-2018**  
**Place : Mumbai**

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

**NIKHIL GANDHI**  
Chairman  
Din: 00030560

**NILESH MEHTA**  
Company Secretary

**SHEKHAR GANDHI**  
Chief Financial Officer

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue</b>			
Net Revenue from Operations	25	-	4.40
Other Income	26	207.54	1,488.94
<b>Total Revenue</b>		<u>207.54</u>	<u>1,493.34</u>
<b>Expenses</b>			
Employee Benefits Expenses	27	272.88	318.57
Finance Costs	28	20,113.38	16,803.86
Depreciation and Amortisation Expenses	2	36.04	54.41
Other Expenses	29	6,925.71	800.57
<b>Total Expenses</b>		<u>27,348.01</u>	<u>17,977.41</u>
<b>Loss before Exceptional Items and Tax</b>		(27,140.47)	(16,484.07)
<b>Exceptional Items</b>	39	(15,435.60)	333.11
<b>Profit / (Loss) Before Tax</b>		(42,576.07)	(16,150.96)
Tax Expense - Current Tax		-	-
- Deferred Tax Credit		0.43	(0.43)
- Income Tax for Earlier Years		0.43	(153.36)
			(153.79)
<b>Loss for the year</b>		(42,575.64)	(16,304.75)
<b>Other Comprehensive Income</b>			
<b>Other Comprehensive Income to be reclassified to profit and loss in subsequent year</b>			
Fair Valuation of Non Current Investment		(7,582.55)	(212.23)
Income Tax relating to Other Comprehensive Income		-	-
<b>Other Comprehensive Income not to be reclassified to profit and loss in subsequent year</b>			
Actuarial gains/(losses) on defined benefit plans		1.09	(2.80)
Income Tax relating to Other Comprehensive Income		-	-
<b>Other Comprehensive Income for the year</b>		<u>(7,581.46)</u>	<u>(215.03)</u>
<b>Total Comprehensive Income for the year</b>		<u><b>(50,157.08)</b></u>	<u><b>(16,519.78)</b></u>
Earnings per Equity Share of Rs. 10/- each	30		
- Basic (In Rupees)		(23.16)	(7.63)
- Diluted (In Rupees)		(23.16)	(7.63)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 40		

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For Kailash Chand Jain & Co.  
Chartered Accountants  
Firm Reg. No: 112318W

Saurabh Chouhan  
Partner  
Membership No. 167453

NIKHIL GANDHI  
Chairman  
Din: 00030560

Date : 28-05-2018  
Place : Mumbai

NILESH MEHTA  
Company Secretary

SHEKHAR GANDHI  
Chief Financial Officer

**CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

Sr. No.	Particulars	2017 - 2018	2016 - 2017
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Loss before Tax	(27,140.47)	(16,484.07)
	Adjustments for :-		
	Depreciation and Amortisation Expenses	36.04	54.41
	Interest Income	(7.25)	(254.62)
	Dividend on Current Investments	(0.29)	(0.97)
	Loss on Sale of Investment	6,344.30	(1,229.63)
	Loss on Sale of Plant, property and equipments (net)	-	0.01
	Finance Costs	20,113.38	16,803.86
	Actuarial gains/(losses) on defined benefit plans	1.09	(2.80)
	Balances Written off/back (net)	(200.00)	-
	<b>Operating profit/(loss) before working capital changes</b>	<b>(853.19)</b>	<b>(1,113.75)</b>
	Adjusted for		
	Trade and Other Receivables	894.44	2,062.37
	Trade and Other Payables	(4,057.20)	5,598.76
	<b>Cash Used in Operations</b>	<b>(4,015.94)</b>	<b>6,547.38</b>
	Direct Taxes (Paid) / Refund	(0.72)	-
	<b>Net Cash Used in Operating Activities</b>	<b>(4,016.67)</b>	<b>6,547.38</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Property, plant and equipment and Capital Work in Progress	(3.36)	(4,467.32)
	Sale of Property, plant and equipment	2.45	4.65
	Advance to Related Parties (Net)	9,945.81	(11,142.31)
	Loan to Others	(53,346.55)	453.21
	Interest Received	7.25	254.62
	Sale of Investments	49,957.98	12,132.27
	Dividend Received on Current Investments	0.29	0.60
	<b>Net Cash (used in)/Generated from Investing Activities</b>	<b>6,563.87</b>	<b>(2,764.29)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Long Term Borrowings	6,720.37	6,894.99
	Repayment of Long Term Borrowings	-	(4,725.12)
	Short Term Borrowings (Net)	-	(229.00)
	Interest Paid	(9,394.21)	(7,225.70)
	Margin Money (Net)	207.39	(48.13)
	Dividend Paid	(0.65)	-
	<b>Net Cash Flow Generated from Financing Activities</b>	<b>(2,467.10)</b>	<b>(5,332.96)</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>80.10</b>	<b>(1,549.87)</b>
	Cash and Cash Equivalents - Opening balance (Refer note no 11)	1.41	1,551.28
	Cash and Cash Equivalents - Closing balance (Refer note no 11)	81.51	1.41

Change in Liability arising from financing activities

Rs in Lacs

S. no	Particulars	As at March 31, 2018		As at March 31, 2017	
		Long Term Borrowings	Short Term Borrowings	Long Term Borrowings	Short Term Borrowings
1	Opening Balance	1,80,844.27	3,700.00	1,80,480.99	4,519.00
2	Net Cash Flow as above	6,720.37	-	2,169.87	(229.00)
3	Non Cash Changes	(30,774.78)	-	(1,806.59)	(590.00)
4	Closing Balance	1,56,789.86	3,700.00	1,80,844.27	3,700.00

**Notes:**

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind-AS 7 - Cash flow Statement.
- (2) Figures in brackets indicate outflow.
- (3) Previous Year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For Kailash Chand Jain & Co.  
Chartered Accountants  
Firm Reg. No: 112318W

Saurabh Chouhan  
Partner  
Membership No. 167453

Date : 28-05-2018  
Place : Mumbai

NILESH MEHTA  
Company Secretary

NIKHIL GANDHI  
Chairman  
Din: 00030560

SHEKHAR GANDHI  
Chief Financial Officer

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2018

(Rs. in Lacs)

**A Equity Share Capital**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	21,65,71,232	21,657.12	21,65,71,232	21,657.12	21,65,71,232	21,657.12
Add: Shares Issued during the year	-	-	-	-	-	-
Equity Shares at the end of the year	21,65,71,232	21,657.12	21,65,71,232	21,657.12	21,65,71,232	21,657.12

**B Other Equity**

Particulars	Reserve and Surplus			Retained Earning	Other Comprehensive Income	Total
	Capital Reserve	Securities Premium	Other Reserve			
<b>As at April 1, 2016</b>	3,15,530.25	9,400.17	38,195.37	(57,351.17)	-	3,05,774.63
<b>Add/(Less):</b>						
Loss for the year				(16,304.75)		(16,304.74)
Other Comprehensive Income					(215.03)	(215.03)
<b>As at March 31, 2017</b>	<b>3,15,530.25</b>	<b>9,400.17</b>	<b>38,195.37</b>	<b>(73,655.91)</b>	<b>(215.03)</b>	<b>2,89,254.85</b>
Loss for the year				(42,575.62)		(42,575.62)
Other Comprehensive Income				-	(7,581.45)	(7,581.45)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42,575.62)</b>	<b>(7,581.45)</b>	<b>(50,157.07)</b>
<b>As at March 31, 2018</b>	<b>3,15,530.25</b>	<b>9,400.17</b>	<b>38,195.37</b>	<b>(1,16,231.54)</b>	<b>(7,796.48)</b>	<b>2,39,097.78</b>

AS PER OUR REPORT OF EVEN DATE

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

For Kailash Chand Jain & Co.  
Chartered Accountants  
Firm Reg. No: 112318W

Saurabh Chouhan  
Partner  
Membership No. 167453

NIKHIL GANDHI  
Chairman  
Din: 00030560

Date : 28-05-2018  
Place : Mumbai

NILESH MEHTA  
Company Secretary

SHEKHAR GANDHI  
Chief Financial Officer

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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**Note - 1**

**General Information**

SKIL Infrastructure Limited is a company limited by shares, incorporated and domiciled in India. The Company is incorporated and domiciled in India and the registered office of the company is located at SKIL House, 209 Bank Street Cross Lane, Fort , Mumbai 400023) and the Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is Infrastructure Company developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors

These Financial statements of the Company for the year ended March 31, 2018 were authorised for issue by board of directors on May 28, 2018. Pursuant to the provisions of the section 130 of the Act, the Central Government, Income Tax Authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have power to amend/re-open the Financial statements approved by the board/adopted by the members of the Company.

**Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**a Basis of Preparation of Financial Statements:**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] on accrual basis and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations. These Financial Statements are the Company's first Ind AS Financial Statements and as covered by Ind AS 101, 'First-time adoption of Indian Accounting Standard'. For all periods up to and including the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with Indian GAAP, including accounting standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), which is considered as "Previous GAAP". An explanation of how the transition to Ind-AS has affected the Company's equity and its net profits is provided in note no 40.

**b Basis of Measurement**

The financial statements have been prepared on a historical cost basis, except for the following:

- i Certain financial assets and liabilities that are measured at fair value;
- ii Defined benefit plans - plan assets measured at fair value; and
- iii Assets held for sale – measured at fair value less cost to sell;

**c Functional and Presentation Currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the functional currency for the Company.

**d Use of Estimates:**

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and if material, their effects are disclosed in the notes to the Financial Statements.

**Estimates and assumptions are required in particular for:**

- i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.
- ii. **Recognition and measurement of defined benefit obligations**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

iii. **Recognition of deferred tax assets**

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

iv. **and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

v. **Discounting of long-term financial liabilities**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

vi. **Determining whether an arrangement contains a lease**

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

vii. **Fair value of financial instruments**

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India (RBI). Fair value of Interest Rate Swaps is determined with respect to current market rate of interest.

e **Standards Issued But Not Yet Effective:**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

i **Issue of Ind AS 115 - Revenue from Contracts with customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

ii **Amendment to Existing issued Ind AS**

The MCA has also notified certain amendments to the following Accounting Standards:

- 1 Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- 2 Ind AS 12 - Income Taxes

Applications of the above standards are not expected to have any significant impact on the Company's financial statements."

f **Current Versus Non Current Classification:**i. **The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset is current when it is:**

- 1 Expected to be realised or intended to be sold or consumed in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Expected to be realised within twelve months after the reporting period, or
- 4 Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

ii **A liability is current when it is:**

- 1 Expected to be settled in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Due to be settled within twelve months after the reporting period, or

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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

- 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**g Other Significant Accounting Policies:**

**I Property, Plant and Equipments:**

- i. The Company has measured all of its Property, Plant and Equipments historical cost at the date of transition to Ind-AS. The Company has elected these value as deemed cost at the transition date.
- ii. Property, Plant and Equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use are capitalised as part of total cost of assets.
- iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.

**II Depreciation:**

- i. Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013.
- ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Significant additions which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.
- iii. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

**III Borrowing Costs:**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**IV Intangible Assets:**

Intangible Assets having finite life are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 5 years.

**V Fair Value Measurement:**

Fair value is the price that would be received to sell an assets or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, acting in their best economic interest. The fair value of plant and equipments as at transition date to Ind-AS have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

**VI Revenue Recognition:**

- i. Revenue from operation include income from sale of goods, services and service tax/Goods and Service Tax and is net of value added tax and sales tax recovered.
- iii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

**VII Foreign Currency Transactions:**

- i. Revenue 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 re measured at the exchange rate prevailing on the balance sheet date.
- 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 restatement is recognised in the Statement of Profit and Loss.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

**VIII Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets****i Classification**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**ii Initial recognition and measurement**

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

**iii Financial Assets measured at amortised cost:**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

**iv Financial Assets measured at fair value through other comprehensive income (FVTOCI):**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

**v Financial Assets measured at fair value through profit or loss (FVTPL):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

**vi Investment in Subsidiary and Associates:**

The Company has measured all of its Investment in equity instruments of Subsidiaries, Associates and Joint Ventures at fair value at the date of transition to Ind - AS. The Company has elected these value as deemed cost at the transition date. Subsequently, these Investment in equity instruments of Subsidiaries, Associates and Joint Ventures are measured at deemed cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

**vii Investment in Equity Instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from other comprehensive income to profit or loss

**viii Investment in Debt Instruments:**

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included with in the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

**ix Derecognition of Financial Assets**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**x Impairment of Financial Assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not valued through Profit and Loss.

**Financial Liabilities****i Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**ii Initial recognition and measurement**

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.



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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**iii Subsequent measurement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

**iv Loans and Borrowings**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**v Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

**vi Derivative Financial Instrument and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

**IX Leases:**

**i Lease payments**

Payments made under operating leases are recognised in Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**ii Lease assets**

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

**X Employee Benefits:**

**i Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii. Defined benefit plans**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

**iii. Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement is recognised in Statement of Profit and Loss in the period in which they arise.

**XI Provision for Current and Deferred Tax:**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**i. Current tax**

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

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

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

**ii. Deferred Tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

**Deferred tax assets and liabilities are offset only if:**

- 1 entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 2 deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**XII Impairment of Assets:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**XIII Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

**XIV Earnings per share**

- i Basic earnings per share: Basic earnings per share is calculated by dividing:
  - 1 the profit attributable to owners of the Company
  - 2 by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
- ii Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
  - 1 the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
  - 2 the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Note 2: Property, plant and equipment**

Particulars	Tangible Assets				Tangible Total	Intangible Assets Computer Software	Total
	Freehold Land	Furniture and fixtures	Office equipment	Vehicles			
<b>Gross Block</b>							
Balance at 1 April 2016	21,945.39	90.63	170.02	1,272.80	23,478.84	7.38	7.38
Additions	-	-	0.93	2.66	3.59	-	-
Disposals	-	1.92	0.36	53.49	55.77	-	-
Balance at 31 March 2017	21,945.39	88.71	170.59	1,221.97	23,426.66	7.38	7.38
Additions	-	-	3.36	-	3.36	-	-
Disposals	-	0.12	0.10	2.23	2.45	-	-
Balance at 31 March 2018	21,945.39	88.59	173.85	1,219.74	23,427.57	7.38	7.38
<b>Accumulated depreciation</b>							
Balance at 1 April 2016	-	81.78	164.76	1,096.03	1,342.57	6.01	6.01
Depreciation charge for the year	-	4.85	2.44	46.48	53.77	0.69	0.69
Disposals	-	-	-	37.13	37.13	-	-
Balance at 31 March 2017	-	86.63	167.20	1,105.38	1,359.21	6.70	6.70
Depreciation for the year	-	0.98	1.85	32.52	35.35	0.68	0.68
Disposals	-	-	-	-	-	-	-
Balance at 31 March 2018	-	87.61	169.05	1,137.90	1,394.55	7.38	7.38
<b>Net Book Value</b>							
<b>Balance at 31 March 2018</b>	<b>21,945.39</b>	<b>0.99</b>	<b>4.80</b>	<b>81.84</b>	<b>22,033.02</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2017</b>	<b>21,945.39</b>	<b>2.08</b>	<b>3.39</b>	<b>116.59</b>	<b>22,067.45</b>	<b>0.69</b>	<b>0.69</b>
<b>Balance at 1 April 2016</b>	<b>21,945.39</b>	<b>8.85</b>	<b>5.26</b>	<b>176.77</b>	<b>22,136.27</b>	<b>1.38</b>	<b>1.38</b>

In accordance with the Ind-AS 36 on "Impairment of Assets", the Management has during the year carried out an exercise of identifying the assets that would have been impaired in respect of each cash generating unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

**Note 3: Capital Work in Progress**

	Balance as at 31.03.2018	Balance as at 31.03.2017	Balance as at 01.04.2016
<b>Capital work in Progress</b>	27,620.07	27,620.07	23,156.35

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

## Note 4

## Investments in Subsidiary and Joint venture

Particulars	% of holding	Face Value	Numbers			Amount		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Long Term Trade Investments (Unquoted and fully paid up)- Financial Assets measured at cost</b>								
<b>In Equity Instruments of Subsidiary Companies</b>								
SKIL-Himachal Infrastructure & Tourism Limited	100.00%	` 10	5,00,00,000	5,00,00,000	5,00,00,000	6,715.86	6,715.86	6,715.86
SKIL Shipyard Holdings Private Limited	100.00%	` 10	50,000	50,000	50,000	12,015.41	12,015.41	12,015.41
SKIL (Singapore) Pte Limited of Singapore	100.00%	SGD 1	1,63,322	1,63,322	1,63,322	50.25	50.25	50.25
SKIL Advanced Systems Private Limited	100.00%	` 10	50,000	50,000	50,000	5.00	5.00	5.00
Energy India Corporation Limited	100.00%	` 10	-	-	40,14,300	-	-	-
Gujarat-Dwarka Portwest Limited	73.60%	` 10	7,03,33,314	7,03,33,314	7,03,33,314	38,426.48	38,426.48	38,426.48
Metrotech Technology Park Pvt Ltd	100.00%	` 10	2,00,000	2,00,000	2,00,000	75.70	75.70	75.70
Chiplun FTWZ Private Limited	52.00%	` 10	4,67,99,970	4,67,99,970	4,67,99,970	27,484.63	27,484.63	27,484.63
Pipavav Electronic Warfare Systems Pvt. Ltd. of Rs.10 Each, Rs.2 paidup	100.00%	` 10	50,000	50,000	50,000	1.00	1.00	1.00
						<b>84,774.33</b>	<b>84,774.33</b>	<b>84,774.33</b>
<b>In Equity Instruments of Joint Venture - Unquoted</b>								
Sohar Free Zone LLC	27.18	OMR 1	7,55,245	7,55,245	7,55,245	899.40	899.40	899.40
						<b>85,673.73</b>	<b>85,673.73</b>	<b>85,673.73</b>
Less: Provision for Impairment						65,148.31	65,148.31	65,148.31
					<b>Total</b>	<b>20,525.42</b>	<b>20,525.42</b>	<b>20,525.42</b>

## 4.1 Aggregate amount of Non Current Investments.

Particulars	As At March 31, 2018		As At March 31, 2017		As At March 31, 2016	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Quoted Investments	-	-	-	-	-	-
Unquoted Investments	20,525.42	-	20,525.42	-	20,525.42	-

## 4.2 Refer note no 17 for details of Investments pledged with Lenders for loan facilities availed by the Company

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Note 5**

**Non-Current Investments**

Particulars	% of holding	Face Value	Numbers			Amount		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Long Term Trade Investments (Unquoted and fully paid up)- Financial Assets measured at cost</b>								
<b>In Equity Instruments of Associate Companies - Unquoted</b>								
Rosoboron Service (India) Limited	20.00%	100	13,500	13,500	13,500	81.00	81.00	81.00
Urban Infrastructure Holdings Private Limited	35.00%	10	12,41,56,500	12,41,56,500	12,41,56,500	3,17,850.15	3,17,850.15	3,17,850.15
<b>In Equity Instruments - Quoted (FVTOCI)</b>								
Everonn Education Ltd.	6.94%	10	16,69,565	16,69,565	33,06,591	204.44	204.44	444.15
Fastlane Distriparks & Logistics Limited's Trust	2.74%	10	59,34,328	59,34,328	59,34,328	593.43	593.43	593.43
Horizon Country Wide Logistics Limited's Trust	4.30%	10	93,08,160	93,08,160	93,08,160	930.82	930.82	930.82
Reliance Naval and Engineering Limited#	2.38%	10	1,85,39,230	17,59,52,263	19,38,77,041	5,107.55	1,14,679.07	1,28,427.86
<b>In Equity Instruments - Unquoted (FVTOCI)</b>								
Mumbai SEZ Limited	6.49%	10	14,64,08,090	14,64,08,090	14,64,08,090	14,333.35	14,333.35	14,333.35
Donyi Polo Petrochemicals Limited	11.26%	10	26,25,500	26,25,500	26,25,500	247.86	247.86	247.86
Karanja Terminal & Logistics Pvt. Ltd.	0.12%	10	24,500	24,500	24,500	2.45	2.45	2.45
Shriram New Horizons Ltd.	18.52%	10	50,00,000	50,00,000	50,00,000	500.00	500.00	500.00
Navi Mumbai SMART CITY Infrastructure Ltd##*	20.15%	10	10,12,783	25,02,783	25,02,783	50.84	125.64	201.47
<b>Total</b>						<b>3,39,901.89</b>	<b>4,49,548.21</b>	<b>4,63,612.54</b>

\* Accounted on Fair Value as per requirement of Ind-AS 109

# Ceased to be an Associate of the Company during the year.

## Ceased to be a Subsidiary of the Company during the year.

**5.1 Details of shares pledged :**

- Investment in Everonn Education Limited are pledged with the lenders of the subsidiary Company.
- Investment in Reliance Naval and Engineering Ltd. are pledged with the lenders of the subsidiary Company.
- Refer note no.17 for details of Investments pledged with lenders for loan facilities availed by the Company.

**5.2 Aggregate amount of Non Current Investments.**

Particulars	As At March 31, 2018		As At March 31, 2017		As At March 31, 2016	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Quoted Investments	6,836.24	6,836.24	1,16,407.76	1,16,407.76	1,30,396.26	1,30,396.26
Unquoted Investments	3,33,065.65	-	3,33,140.45	-	3,33,216.28	-

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Note 6****Other Financial Assets**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Security Deposits with			
Related Parties (Refer Note no. 37)	54.02	-	-
Others			
- Considered good	1,357.17	1,279.09	1,278.25
- Considered doubtful	150.00	150.00	150.00
	1,561.19	1,429.09	1,428.25
Less Provision on Impairment of assets	150.00	150.00	150.00
	<b>1,411.19</b>	<b>1,279.09</b>	<b>1,278.25</b>
Loan to Body Corporates considered good	9,332.99	10,359.74	10,607.17
<b>Total</b>	<b>10,744.18</b>	<b>11,638.83</b>	<b>11,885.42</b>

**Note 7****Other Non- Current assets****(Unsecured and considered good)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Capital Advances	6,246.04	6,246.04	6,246.04
<b>Total</b>	<b>6,246.04</b>	<b>6,246.04</b>	<b>6,246.04</b>

**Note 8****Non- Current Tax assets (NET)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advance income-tax	1,780.60	1,779.87	1,778.05
<b>Total</b>	<b>1,780.60</b>	<b>1,779.87</b>	<b>1,778.05</b>

**Note 9****Current Investments**

Particulars	Numbers			Amount		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>In Equity Shares -Financial Assets carried at fair value through profit &amp; loss</b>						
<b>Quoted Fully Paid up</b>						
Batliloi 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	-	7.70	7.70
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	-	0.70	0.70
Reliance Industries Ltd. of Rs. 10 each	-	542	542	-	5.68	5.68

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

Particulars	Numbers			Amount		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
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
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	1,105	0.03	0.03	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
<b>Total</b>				<b>0.03</b>	<b>146.68</b>	<b>148.68</b>

**In Units -Financial Assets carried at fair value through profit & loss**

**Quoted Fully Paid up**

Investment in HDFC Cash Mgmt. Fund - Treasury Advantage Plan - Wholesale -Daily Dividend of Rs. 10 each	47927	47927	47927	4.87	4.87	4.81
Investment in HDFC Cash Mgmt. Fund - Treasury Advantage Plan - Retail -Daily Dividend of Rs. 10 each	16589.89	13741	10795	1.68	1.39	1.08

**Unquoted Fully Paid up**

Urban Infrastructure Opportunities Fund (Face Value Rs 1 Lacs)	2750	2750	2750	161.85	464.37	1,000.62
<b>Total</b>				<b>168.43</b>	<b>617.31</b>	<b>1,155.19</b>

**9.1 Aggregate amount of Non Current Investments.**

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Quoted Investments	6.58	6.58	152.94	152.94	154.57	154.57
Unquoted Investments	161.85	-	464.37	-	1,000.62	-

**9.2 Investment in urban Infrastructure Opportunities Fund includes 1950 (Previous year 1950) units pledge with lenders of subsidiary Company**

**Note 10**

**Trade Receivables (Unsecured)**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Considered Good	-	-	380.86
Considered Doubtful	5,940.68	5,940.68	5,940.68
Less: Provision for Impairment	5,940.68	5,940.68	5,940.68
<b>Total</b>	<b>-</b>	<b>-</b>	<b>380.86</b>

10.1 Trade receivables are non - interest bearing and receivable in normal operating cycle

**Note 11**

**Cash and Cash Equivalents**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Balances with Banks In Current Accounts	79.20	0.50	1,527.62
Cash on hand	2.31	0.90	23.66
<b>Total</b>	<b>81.51</b>	<b>1.40</b>	<b>1,551.28</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Note 12****Other Bank Balances**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Banks in dividend account	1.44	2.09	2.87
Fixed Deposits with Banks	-	207.39	159.26
<b>Total</b>	<b>1.44</b>	<b>209.48</b>	<b>162.13</b>

**Note 13****Other Current Financials Assets  
(Unsecured & considered good)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Loans and Advances</b>			
Related Parties	34,565.25	42,545.85	31,394.98
Directors and other officers	0.60	42.16	50.72
Others	54,709.56	3,286.66	3,739.87
<b>Total</b>	<b>89,275.41</b>	<b>45,874.67</b>	<b>35,185.57</b>

**13.1 Details of Loans to Subsidiary and Associate Companies pursuant to regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015**

Company Name	Closing Balance		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Subsidiary Company</b>			
Gujarat-Dwarka Portwest Limited	19,829.24	13,787.46	9,547.04
SKIL Advanced Systems Private Limited	452.35	435.01	433.68
SKIL Shipyard Holdings Private Limited	2,485.79	1,089.32	543.59
SKIL (Singapore) Pte Limited of Singapore	10,814.24	10,814.24	13,696.92
Pipavav Electronic Warfare Systems Pvt. Ltd	40.63	40.29	35.57
Metrotech Technology Park Pvt Ltd	-	538.46	537.42
<b>Associate</b>			
Rosoboronservice (India) Limited	943.00	943.00	893.00
E Complex Private Limited*	-	3,337.16	-
Reliance Naval and Engineering Limited*	-	331.89	316.61
Reliance Marine and Offshore Limited*	-	1,129.80	1,055.97
Reliance Engg and Defence services Limited*	-	4,364.90	-
<b>Directors and Key Managerial Persons</b>			
Sudipan Bhaduri*	-	41.56	47.81
Nilesh Mehta	0.60	0.60	2.91

\* ceased to be related party as at March 31, 2018

- All the above Loans are given for meeting working capital requirements of the Subsidiary and Associate Companies and non interest bearing
- Loans to employee and reimbursement of expenses are not considered for this clause.
- There are no investments by the Loanees at March 31, 2018 in the shares of the Company and Subsidiary Companies.

**Note 14****Other Current Assets****(Unsecured & considered good)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Advances	-	-	0.59
Deposits	-	-	9.70
Prepaid expenses	2.48	2.28	4.47
<b>Total</b>	<b>2.48</b>	<b>2.28</b>	<b>14.76</b>



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Note 15**

**Share Capital**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised</b>			
91,00,00,000 (Previous Year: 91,00,00,000) Equity Shares of Rs. 10/- each	91,000.00	91,000.00	91,000.00
<b>Issued, Subscribed and fully paid up</b>			
21,65,71,232 (Previous Year: 21,65,71,232) Equity Shares of Rs. 10/- each fully paid up	21,657.12	21,657.12	21,657.12

**15.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Shares at the beginning of the year	21,65,71,232	21,65,71,232	21,65,71,232
Add: Issued during the year	-	-	-
<b>Equity Shares at the end of the year</b>	<b>21,65,71,232</b>	<b>21,65,71,232</b>	<b>21,65,71,232</b>

**15.2 Shareholders holding more than 5% Shares in the Company:**

Shares held by	As at March 31st, 2018		As at March 31st, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Metropolitan Industries	8,27,43,840	38.20	8,30,07,828	38.33	8,74,10,539	40.36
Montana Infrastructure Ltd	3,23,98,791	14.96	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	1,12,76,659	5.21
SREI Infrastructure Finance Limited	1,76,66,820	8.16	1,76,66,820	8.16	1,76,66,820	8.16

**15.3 Terms and Rights attached to Equity Shares**

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity share holders 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 shares held by the shareholders.

**Note 16**

**OTHER EQUITY**

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
<b>Capital Reserve</b>						
Opening Balance	3,15,530.25		3,15,530.25		3,15,530.25	
Additions during the year	-	3,15,530.25	-	3,15,530.25	-	3,15,530.25
<b>Securities Premium Account</b>						
Opening Balance	9,400.17		9,400.17		9,400.17	
Add :- On Issue of Shares	-	9,400.17	-	9,400.17	-	9,400.17
<b>Other Reserve</b>						
Opening Balance	38,195.37		38,195.37		38,195.37	
Additions during the year	-	38,195.37	-	38,195.37	-	38,195.37
<b>Retained Earnings</b>						
Opening Balance	(73,655.91)		(57,351.17)		(57,351.17)	
Add:- Profit(loss) for the year as per profit or loss statement	(42,575.64)	(1,16,231.55)	(16,304.75)	(73,655.91)	-	(57,351.17)
<b>Other Comprehensive Income</b>						
Opening Balance	(215.03)		-		-	
Add: Movement During the year (net)	(7,581.45)	(7,796.48)	(215.03)	(215.03)	-	-
	<b>2,39,097.78</b>		<b>2,89,254.85</b>		<b>3,05,774.63</b>	

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Capital Reserve: Created pursuant to amalgamation of the Company as per order of High Court Mumbai in the financial year 2011 - 2012. The same can be utilised as per provision of the Act.

Securities Premium Account: This reserve is created to record premium on issue of shares. The same can be utilised in accordance with the provision of the Act.

Other Reserves: Other Reserve was created pursuant to first time adoption of Ind-AS as at April 01, 2016 and not available for distribution as dividend.

**Note 17****Long Term Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured Loans</b>			
<b>Rupee Term Loans from:</b>			
Banks	35,483.26	39,222.73	44,030.28
Financial Institutions	24,870.00	24,870.00	22,460.00
Body Corporates	-	-	100.20
<b>Vehicle Loans</b>	15.44	32.68	49.17
<b>Redeemable Non Convertible Bonds*</b>			
175 Nos.(previous year 175 Nos) 0.01% (PY 3%) Redeemable Non Convertible Bonds of Rs. 100 Lacs Each	11,430.73	10,115.68	17,083.33
829 Nos.(previous year 829 Nos) 0.01% (PY 0%) Redeemable Non Convertible Bonds of Rs. 100 Lacs Each	47,919.46	80,926.20	77,166.56
<b>Inter Corporate Deposits from:</b>			
Related Parties	7,970.07	7,053.16	6,241.74
<b>Total Secured Loans</b>	<b>1,27,688.96</b>	<b>1,62,220.45</b>	<b>1,67,131.28</b>

**\* Accounted on Fair value**

**17.1** Term loan from Bank / Financial Institution referred to above and Rs. 29,085.15 Lacs included in current maturities of long term debt in Note No. 22 are secured as under:

- i) Term loan from Union Bank of Rs.575.14 Lacs and accrued interest of Rs. 99.81 Lacs is outstanding as on 31.03.2018. The bank has declared the said loan as Non Performing Asset (NPA)
- ii) Term loan of Rs.38,731.81 Lacs from Yes Bank is secured by :
  - First and Exclusive charge on the entire movable 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 58,41,726 shares of Company held by others.
  - Pledge of 1,04,00,000 shares of Company held by Promoters of the Company.
  - First pari-passu charge on immovable property of subsidiary company.
  - Corporate Guarantee given by subsidiary and other body corporate
  - Personal guarantee given by two Directors of the Company
- iii) Term loan of Rs.3,337.41 Lacs from IDBI Bank is secured by :
  - First mortgage and charge on all immovable and movable properties of the Company (related to erstwhile Horizon Infrastructure Ltd) , both present and future project.
  - 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 Directors of the Company

The said term loan and accrued interest of Rs. 16.90 Lacs is outstanding as on 31.03.2018. The bank has declared the said loan as Non Performing Asset (NPA).

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

- iv) Term loan from Central Bank of Rs.12,846 Lacs and accrued interest of Rs.5,168 Lacs is outstanding as on 31.03.2018. 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. As per Terms of Sanction, Company has booked Penal Interest of Rs. 613.46 Lacs during the year.
- v) Term Loan of Rs.9,000 Lacs secured by Pledge of 94 lacs Shares of Company held by others. Company has booked Penal Interest on above loan as per Terms of Sanction.
- vi) Rs.24,870.00 Lacs from a Financial Institution is secured by way of pledge of 1,31,90,826 (Previous Year 3,93,90,826) shares of Reliance Naval & Engineering Ltd (formerly Reliance Defense & 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) 0.01% RNCB of Rs.11430.73 Lacs and Rs. 47919.46 Lacs are secured by
- creating pledge (on First and Exclusive charge basis as well as on sub-subservient / residual charge basis) on SKIL Share holding in various Companies.
  - pledge of some of investment of Company on first charge and some investment of Company on Second charge / residual charge.
  - creating hypothecation (on Subservient/Residual Charge basis) on all SKIL Assets such as land, tangible assets (including all current, fixed and movable assets) and all receivables, cash and bank balances
- viii) Inter Corporate Deposit of Rs. 78.43 Lacs are secured by way of equitable mortgage of land owned by other Body Corporate.
- 17.2 Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs 29,085.15 Lacs included in current maturities of long term debts 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**

2018-19	29,100.90
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

- 17.3 Vehicles Loans referred to above and Rs.15.75 Lacs included in current maturities of long term debts 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.

- 17.4 The company had issued 175 Nos 3% Redeemable Non Convertible Bonds of Rs.100 Lacs each during the year 2011-12 and the terms for the said bonds has been changed by mutual agreement between the parties during the Previous financial year as to 175 Nos. 0.01% Redeemable Non-Convertible Bonds of Rs.100 Lacs each redeemable for a further period of 5 years from the date of maturity and 829 Nos. 0% Redeemable Non Convertible Bonds of Rs.100 Lacs each during the year 2012-13 and the terms for the said bond has been changed during current financial year as to 829 Nos. 0.01% Redeemable Non-Convertible bonds of Rs.100 Lacs each redeemable for a further period of 5 year from the date of maturity.

- 17.5 As on March 31st 2018, the Company has overdue of Rs. 25278.18 Lacs and Rs. 6217.97 Lacs towards principal and interest amount respectively.

**Note 18**

**Non Current Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Employee Benefits	27.83	18.38	17.37
<b>Total</b>	<b>27.83</b>	<b>18.38</b>	<b>17.37</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Note 19****Deferred Tax (NET)**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
Opening Balance	0.43	-	-
<b>Tax Expenses (Income) recognised in:</b>			
Disallowance in income tax	(0.43)	0.43	-
Closing Balance	-	<b>0.43</b>	-

**19.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:**

Since the Company has incurred loss during the year ended March 31, 2018 and previous year, hence no tax is payable for these years as per provisions of Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence not given.

**Note 20****Short Term Borrowings**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
<b>Secured Loans from:</b>			
Body Corporates	3,300.00	-	229.00
<b>Unsecured Loans from:</b>			
Related Party	-	-	390.00
Body Corporates	400.00	3,700.00	3,900.00
<b>Total</b>	<b>3,700.00</b>	<b>3,700.00</b>	<b>4,519.00</b>

20.1 Inter Corporate Deposit of Rs. 3,300 Lacs are secured by way of equitable mortgage of land owned by other Body Corporate.

**Note 21****Trade Payables**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
Micro and Small Enterprises			
Others	-	-	368.20
<b>Total</b>	<b>-</b>	<b>-</b>	<b>368.20</b>

21.1 All trade payables are non interest bearing and payable or settled within normal operating cycle of the Company.

21.2 Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company.

**Note 22****Other Current Financial Liabilities**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
Current Maturities of Long Term Debts	29,100.90	18,623.82	13,349.70
Interest accrued and due on borrowings	12,389.52	6,193.96	4,552.65
Interest accrued but not due on borrowings	3,937.53	828.10	877.25
Redemption Premium Payable on Redeemable Non Convertible Bonds	36,886.46	35,472.29	27,486.29
<b>Total</b>	<b>82,314.41</b>	<b>61,118.17</b>	<b>46,265.89</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Note 23**

**Other Current Liabilities**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
Advances from Related Parties	32,692.57	24,884.82	13,194.23
Advance from others	1,996.22	7,028.98	12,832.12
Unpaid Dividend	1.44	2.09	2.87
Statutory Dues			
TDS	402.11	395.78	794.05
Provident Fund	0.25	0.38	0.33
Other statutory dues	2,741.39	2,734.21	2,578.28
Other Payables	6,006.68	13,061.55	12,594.48
<b>Total</b>	<b>43,840.66</b>	<b>48,107.81</b>	<b>41,996.36</b>

**Note 24**

**Current Provisions**

<b>Particulars</b>	<b>As at March 31, 2018</b>	As at March 31, 2017	As at April 1, 2016
for Employee Benefits	50.14	50.91	57.82
for Wealth Tax (net)	3.60	3.60	3.60
<b>Total</b>	<b>53.74</b>	<b>54.51</b>	<b>61.42</b>

**Note 25**

**Revenue from Operations**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	For the year ended March 31, 2017
Other Operating Revenue	-	4.40
<b>Total</b>	<b>-</b>	<b>4.40</b>

**Note 26**

**Other Income**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	For the year ended March 31, 2017
Interest Income	7.25	254.62
Profit on Sale of Fixed Assets (net)	-	3.72
Profit on Sale of Investment (net)	-	1,229.63
Dividend on Current Investments	0.29	0.97
Sundry Balances written back	200.00	-
<b>Total</b>	<b>207.54</b>	<b>1,488.94</b>

**Note 27**

**Employee Benefits Expenses**

<b>Particulars</b>	<b>For the year ended March 31, 2018</b>	For the year ended March 31, 2017
Salaries, Wages and Allowances	261.11	314.92
Contribution to Provident and Other Funds	11.04	2.50
Staff Welfare Expenses	0.73	1.15
<b>Total</b>	<b>272.88</b>	<b>318.57</b>

**27.1 Employee Benefits**

**a Defined Benefit Plan- Gratuity**

The Company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company provides for the liability in its books of accounts based on the actuarial valuation. The following tables summarize the components of

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans. The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

## i) Reconciliation of opening and closing balances of the present value of the defined gratuity benefit obligation.

Particulars	2017-18	2016-17
Defined Benefit Obligation at beginning of the year	69.30	75.18
Current Service Cost	0.91	1.29
Past Service Cost	8.78	-
Current Interest Cost	2.96	3.61
Actuarial (Gain) / Loss	(1.09)	(10.79)
Benefits paid	(2.87)	-
Defined Benefit Obligation at end of the year	77.98	69.30

## ii) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets

Particulars	2017-18	2016-17
Fair Value of Plan Assets at the end of the year	-	-
Present Value of Defined Benefit Obligation at end of the year	77.98	69.30
Liabilities / (Assets) recognised in the Balance Sheet- Current	50.15	50.92
Liabilities / (Assets) recognised in the Balance Sheet- Non Current	27.83	18.38

## iii) Expenses recognised during the year

Particulars	2017-18	2016-17
Current Service Cost	0.91	1.29
Past Service Cost	8.78	-
Interest Cost	2.96	3.61
Expected Return on Plan Assets	-	-
Net Cost Recognised in profit or loss	12.65	4.90
Actuarial (Gain) / Loss recognised in other comprehensive income	(1.09)	(10.79)

## iv) Assumptions used to determine the defined benefit obligations

Particulars	2017-18	2016-17
Mortality Table (LIC)	Indian Assured lives Mortality (2006-08)	
Discount Rate (p.a.)	7.70%	6.75%
Retirement age	60 Years	60 Years
Expected Rate of increase in Salary (p.a.)	7.00%	7.00%

The estimates of rate of increase in salary are 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.

## v) Sensitivity Analysis:

Particulars	Changes in assumptions		Effect on Gratuity Obligation Increase/ (Decrease)	
	2017-18	2016-17	2017-18	2016-17
Discount Rate	0.50%	0.50%	5.06	5.13
Salary Growth Rate	0.50%	0.50%	5.57	4.95

The above sensitivity analysis is based on an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the Balance Sheet.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**vi) Risk Exposure :**

- 1 Investment Risk: The Present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of reporting period on government bonds
- 2 Interest Risk: A decrease in the bond interest rate will increase the plan liability: however, this will be partially offset by an increase in the return on the plan debt investment.
- 3 Liquidity Risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
- 4 Salary Risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

vii) Details of Asset-Liability Matching Strategy :- Gratuity benefits liabilities of the company are ununded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

**viii) The expected payments towards to the gratuity in future years :**

Particulars	2017-18	2016-17
with in one year	50.15	50.92
1-5 years	22.76	15.04
More than 5 years	5.06	3.35

The average duration of the defined benefit plan obligation as at March 31, 2018 is 5.89 years (March 31, 2017: Nil)

**Note 28**

**Finance Costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses	18,679.72	8,817.86
Redemption Premium	1,414.17	7,986.00
Other Borrowing Cost	19.49	-
<b>Total</b>	<b>20,113.38</b>	<b>16,803.86</b>

**Note 29**

**Other Expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Advertisement & Business Promotion Expenses	4.44	51.99
Bank Charges & Commission	0.06	0.93
Rent	4.77	153.39
Rates and Taxes	6.54	6.45
Printing and Stationery	1.41	3.66
Postage, Courier & Communication Expenses	11.09	16.63
Repair and Maintenance - Other	22.10	15.53
Manpower & Security Charges	3.17	6.10
Travelling, Conveyance & Vehicle Expenses	29.52	44.93
Legal and Professional Charges	242.04	54.73
Loss on Sale of Investment	6,344.30	-
Administrative, Office Expenses & Other expenses	33.93	180.50
Payment to Auditors (Refer Note No.29.1)	24.78	25.88
Miscellaneous Expenses	49.46	4.03
Donation	-	4.00
Sitting Fees to Directors	8.24	5.97
Insurance Charges	1.05	1.58
Interest on TDS & Service Tax	0.96	223.59
Penalty on Mvat	137.85	0.68
<b>Total</b>	<b>6,925.71</b>	<b>800.57</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**29.1 Payment to Auditors includes:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fees	20.65	17.50
Tax Audit Fees	2.95	2.50
Other Matters	1.18	5.88
<b>Total</b>	<b>24.78</b>	<b>25.88</b>

**Note 30****Earnings Per Share (Basic and Diluted)**

Particulars	2017-18	2016-17
Loss attributable to the Equity Shareholders	(50,157.08)	(16,519.78)
Amount available for calculation of Basic and Diluted EPS (a)	(50,157.08)	(16,519.78)
Weighted Average No. of Equity Shares outstanding for Basic and Diluted EPS (b)	21,65,71,232	21,65,71,232
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.) (a) / (b)	<b>(23.16)</b>	<b>(7.63)</b>

30.1 Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, The Company has adopted March 31, 2018 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and April 1, 2014 as transition date for preparation of financial statement. Accordingly Statement of profit and loss for the financial year 2016-17 has been restated. The effects on basic and diluted EPS on adoption of Ind-AS from those reported as per previous GAAP are as under:

Particulars	As reported as per Previous GAAP	As revised as per Ind-AS
Profit/(Loss) attributable to the Equity Shareholders	(17,134.26)	(16,519.78)
Basic Earnings per share of Rs. 10/- each (in Rs.)	(7.91)	(7.63)
Diluted Earnings per share of Rs. 10/- each (in Rs.)	(7.91)	(7.63)

**Note 31****Contingent Liabilities and Commitments****31.1 Contingent Liabilities**

(No Cash Outflow is expected except as stated otherwise and not likely to have any material impact on financial position of the Company)

Sr. No.	Particulars	MARCH 31, 2018	MARCH 31, 2017
a)	Corporate Guarantee (Given to Banks, Financial Institutions and Body Corporates for credit facilities taken by subsidiary companies & Reliance ADAG Group to the extent such facilities outstanding)	79,800.00	13,93,628.00
b)	Demands not acknowledged as Debts (net)		
i)	Income Tax Majorly the tax demand due to disallowances by the Income tax department and Interest	6,210.00	3,002.11
ii)	Suits filed against Company not acknowledge as debt	2,126.49	2,126.49

**Note:**

During the year equity shares of the Reliance Naval and Engineering Limited (RNEL) held by the Company which were pledged as security to the CDR lenders of RNEL have been invoked by the lenders along with the Corporate Guarantee given by the Company. The Company have filed a suit in the Commercial court against the lenders of RNEL for enforcing/invoking the securities offered and Corporate Guarantee. As the matter is under subjudice, no accounting effect has been given in the Financial Statements for Guarantees invoked of Rs. 12,87,028 Lacs issued in favour of RNEL and its subsidiaries as at March 31, 2018.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**31.2 Commitments**

Sr. No.	Particulars	MARCH 31, 2018	MARCH 31, 2017
a)	Other Commitments	-	4.00
	(for investment in the Associates and Joint Venture)		

**Note 32**

**Fair Value Measurements**

The fair value of the financial assets and liabilities are included at the amount that would be received on sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribable under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by the Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and Mutual Fund are valued using the Closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value and instruments are observable, the instrument is included in level 2. Instruments in the level 2 category for the company include forward exchange contract derivatives

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the Company include unquoted equity shares and FCCDs, unquoted units of mutual funds and unquoted units of venture capital funds.

**a) Financial Instrument by Category**

**Financial Assets**

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Non Current Investments in Equity Instrument		21,970.74			1,31,617.06			1,45,681.39	
Current Investments in Equity Instrument	0.03			146.68			148.68		
Current Investments in Units of Mutual Fund	168.44			617.31			1,155.19		
Trade Receivables			-			-			380.86
Cash and Cash Equivalents			81.51			1.41			1,551.28
Other Bank Balances			1.44			209.48			162.13
Other Non Current Financials Assets			10,744.18			45,874.67			35,185.57
Other Current Financials Assets			89,275.41			11,638.83			11,885.42
	168.47	21,970.74	1,00,102.54	763.99	1,31,617.06	57,724.39	1,303.87	1,45,681.39	49,165.26

The carrying amount of Financial Assets carried at amortised cost is reasonably approximate to its fair value.

**Financial Liabilities**

The Liability in case of Redeemable Non Convertible Bonds and Long Term Inter Corporate Deposit from related parties are initially recognised on fair value and the difference between fair value and transaction price is considered as Other Income. Subsequently the liability is measured at amortised cost using the effective interest rate. The impact on this account has been recognised as other income on the transaction date and subsequent impact are recognised as finance cost in the Statement of Profit and Loss.

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

The carrying amount of all other Financial Liabilities is reasonably approximate to its fair value. The fair values disclosed above are based on discounted cash flows using current borrowing rate. These are classified at level 2 fair values in the fair value hierarchy due to the use of observable inputs.

During the years mentioned above, there have been no transfers amongst the levels of the hierarchy.

**b) Valuation process**

The Company evaluates the fair value of the financial assets and financial liabilities on periodic basis using the best and most relevant data available. Also the Company internally evaluates the valuation process periodically

**c) Fair value hierarchy**

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non Current Investments in Equity Instrument	6,836.24		15,134.50	1,16,407.76		15,209.30	1,30,396.26		15,285.13
Current Investments in Equity Instrument	0.03			146.68			148.68		
Current Investments in Units of Mutual Fund	6.55	161.87		6.26	464.37		5.89	1,000.62	
	6,842.82	161.87	15,134.50	1,16,560.70	464.37	15,209.30	1,30,550.83	1,000.62	15,285.13

**c) Description of the inputs used in the fair value measurement:**

Particulars	As at March 2018	Valuation Techniques	Input Used	Sensitivity
Financial Assets designated at fair value through profit or loss		Book Value	Financial Statement	No Material Impact on Fair Valuation
Unlisted Equity Instrument	15,134.50			

**d) Reconciliation of fair value measurement categorised with in level 3 of the fair value hierarchy:**

Particulars	
Fair Value as at April 1, 2016	15,285.13
Loss on Fair Valuation through profit or loss	(75.83)
Fair Value as at March 31, 2017	15,209.30
Loss on Fair Valuation through profit or loss	(1.63)
Sale of Shares	(149.00)
	<b>15,134.50</b>

**Note 33****Financial Risk Management Objective and Policies**

The Company's principal financial liabilities comprise loans & borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and projects under implementation. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors, reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**I Interest rate exposure profile appended in the table below**

<b>Borrowings</b>	<b>MARCH 31, 2018</b>	<b>MARCH 31, 2017</b>
Floating Rate Loans	55,489.98	57,733.20
Fixed Rate Loans	1,01,299.87	1,26,697.72
<b>Total</b>	<b>1,56,789.85</b>	<b>1,84,430.92</b>

**II Interest Risk Sensitivity**

With all other variable held constant the following table reflects the impact of borrowing cost on floating rate portion of total Debt

<b>Risk Exposure</b>	<b>As at March 31, 2018</b>		<b>As at March 31, 2017</b>	
	<b>20 basis Points Increase</b>	<b>20 basis Points Decrease</b>	<b>20 basis Points Increase</b>	<b>20 basis Points Decrease</b>
Effect on profit/ (loss) before tax due to following change in interest rates				
On Floating Rate Loans	110.98	110.98	115.47	115.47

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in Foreign Currency is not material

**Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

**Liquidity risk**

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Bank Overdrafts, Letter of Credit and Working Capital Limits.

The below table summarizes the maturity profile of the company's financial liability based on contractual undiscounted cash flows:

<b>Liquidity Profile</b>	<b>Less than 1 year</b>	<b>1-3 Year</b>	<b>3-5 Year</b>	<b>More than 5 Year</b>	<b>Total</b>
<b>As at March 31, 2018</b>					
Non Current Borrowings	29,100.90	36,432.57	14,308.36	9,627.77	89,469.60
Current Borrowings	3,700.00	-	-	-	3,700.00
Other financial liabilities	-	-	67,320.26	-	67,320.26
Trade Payables	-	-	-	-	-
<b>Total</b>	<b>32,800.90</b>	<b>36,432.57</b>	<b>81,628.62</b>	<b>9,627.77</b>	<b>1,60,489.86</b>
<b>As at March 31, 2017</b>					
Non Current Borrowings	18,610.18	8,644.33	38,154.53	17,293.87	82,702.91
Current Borrowings	3,700.00	-	-	-	3,700.00
Other financial liabilities	80,926.20	-	17,168.84	-	98,095.04
Trade Payables	-	-	-	-	-
<b>Total</b>	<b>1,03,236.38</b>	<b>8,644.33</b>	<b>55,323.37</b>	<b>17,293.87</b>	<b>1,84,497.95</b>

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Note 34****Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

**Capital Gearing Ratio**

Particulars	March 31, 2018	March 31, 2017
Equity	21,657.12	21,657.12
Retained Earnings	2,39,097.78	2,89,254.85
<b>Total (A)</b>	<b>2,60,754.90</b>	<b>3,10,911.97</b>
<b>Borrowing</b>		
Non-Current	1,56,789.86	1,80,844.27
Current	3,700.00	3,700.00
<b>Total (B)</b>	<b>1,60,489.86</b>	<b>1,84,544.27</b>
<b>Capital Gearing Ratio (B/A)</b>	0.62	0.59

**Note 35****Segment Reporting****Segment information as per Ind AS - 108 on Operating Segment :**

The risk - return profile of the Company's business is determined predominantly by the nature of its products. The Company is engaged in the business of Infrastructure development. Further based on the organisational structure and internal management reporting system, there are no separate reportable segments.

**Note 36****Post Reporting Events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation

**Note 37****Related Party Disclosures****a) List of Related parties****1 Subsidiary Companies**

SKIL Himachal Infrastructure & Tourism Limited  
 SKIL Shipyard Holdings Private Limited  
 SKIL Singapore Pte Limited of Singapore  
 SKIL Advanced Systems Private Limited  
 Chiplun FTWZ Pvt. Ltd.  
 Metrotech Technology Park Pvt. Ltd.  
 Gujarat Dwarka Portwest Company Limited  
 Navi Mumbai Smart City Infrastructure Limited (up to March 28, 2018)

**2 Associates**

Urban Infrastructure Holding Private Limited  
 Rosonboronservic (India) Limited  
 Reliance Naval and Engineering Limited (up to March 16, 2018)

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**3 Joint Ventures**

Sohar Free Zone LLC

**4 Key Managerial Personnel**

Mr. Nikhil P. Gandhi

Mr. Bhavesh P. Gandhi

Mr. U. B. Singh

Mr. Shankar Agarwal (w.e.f February 8, 2018)

Mr. Nilesh Mehta

Mr. Shekhar Gandhi

**5 Other Related Parties**

Grevek Investment & Finance P. Ltd.

Awaita Properties Pvt. Ltd.

Nikhil P. Gandhi HUF

Bhavesh P. Gandhi HUF

Metropolitan Industries

Reliance Engineering and Defence Services Limited (up to March 16, 2018)

E Complex Private Limited (up to March 16, 2018)

Reliance Marine and Offshore Limited (up to March 16, 2018)

**b) Terms and Conditions of transactions with related parties**

The Transactions with related parties are at arm's length price and in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances given. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

**c) 1 Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Subsidiary Companies**

<b>i Investment at the end of the year</b>	<b>2017-18</b>	<b>2016-17</b>
SKIL-Himachal Infrastructure & Tourism Limited	6,715.86	6,715.86
SKIL Shipyard Holdings Private Limited of	12,015.41	12,015.41
SKIL (Singapore) Pte Limited of Singapore	50.25	50.25
SKIL Advanced Systems Private Limited	5.00	5.00
Gujarat-Dwarka Portwest Limited	38,426.48	38,426.48
Metrotech Technology Park Pvt Ltd	75.70	75.70
Chiplun FTWZ Private Limited	27,484.63	27,484.63
Pipavav Electronic Warfare Systems Pvt. Ltd.	1.00	1.00
 <b>Loans and Advances</b>		
<b>ii Received</b>		
SKIL Himachal Infrastructure & Tourism Limited	-	4,300.00
Metrotech Technology Park Pvt Ltd	1,923.67	-
 <b>iii Repayment</b>		
SKIL Himachal Infrastructure & Tourism Limited	713.46	4.84
Chiplun FTWZ Pvt. Ltd.	4.33	6.02
 <b>iv Balances at the end of year</b>		
SKIL Himachal Infrastructure & Tourism Limited	4,428.18	5,141.64
Metrotech Technology Park Pvt Ltd	1,923.67	-
Chiplun FTWZ Pvt. Ltd.	2,301.40	2,305.74

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

<b>v</b>	<b>Given</b>		
	SKIL Shipyard Holdings Pvt. Ltd.	1,400.47	546.36
	Pipavav Electronic Warfare Systems Pvt. Ltd.	0.34	4.72
	SKIL Advanced Systems Private Limited	17.65	1.33
	Metrotech Technology Park Pvt. Ltd.	1,325.72	1.04
	Gujarat Dwarka Portwest Limited	6,042.63	4,259.77
<b>vi</b>	<b>Received back</b>		
	SKIL Shipyard Holdings Pvt. Ltd.	4.00	386.74
	SKIL Singapore Pte. Ltd	-	2,881.68
	SKIL Advanced Systems Private Limited	0.30	-
	Metrotech Technology Park Pvt. Ltd.	1,864.18	-
	Gujarat Dwarka Portwest Limited	0.85	19.35
<b>Vii</b>	<b>Receivable at the end of the year</b>		
	SKIL Shipyard Holdings Pvt. Ltd.	2,485.79	703.21
	SKIL Singapore Pte. Ltd.	10,814.24	10,814.24
	Pipavav Electronic Warfare Systems Pvt. Ltd.	40.63	40.29
	SKIL Advanced Systems Private Limited	452.36	435.46
	Metrotech Technology Park Pvt. Ltd.	-	538.46
	Gujarat Dwarka Portwest Limited	19,829.25	13,787.47
<b>Viii</b>	<b>Corporate Guarantee Given</b>		
	SKIL Himachal Infrastructure & Tourism Ltd.	4,300.00	4,300.00
	Gujarat Dwarka Portwest Company Limited	37,000.00	37,000.00
	SKIL Shipyard Holdings Pvt. Ltd.	27,500.00	27,500.00
	Chiplun FTWZ Pvt. Ltd.	2,500.00	2,500.00
<b>c)</b>	<b>2</b>	<b>Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Associate Companies</b>	
	<b>i</b>	2017-18	2016-17
	<b>Investment at the end of the year</b>		
	Urban Infrastructure Holdings Pvt. Ltd.	3,17,850.15	3,17,850.15
	Rosoboron Service India Limited	81.00	81.00
	<b>ii</b>		
	<b>Loans given</b>		
	Rosoboron Service India Limited	-	52.50
	<b>iii</b>		
	<b>Received back</b>		
	Rosoboron Service India Limited	-	2.50
	<b>iv</b>		
	<b>Receivable at the end of the year</b>		
	Rosoboron Service India Limited	943.00	943.00
<b>c)</b>	<b>3</b>	<b>Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Joint Ventures</b>	
	<b>i</b>		
	<b>Investment at the end of the year</b>		
	Sohar Free Zone LLC	899.40	899.40

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

c)	<b>4</b>	<b>Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Other Related Parties</b>		
		<b>Loans and Advances</b>		
	<b>i</b>	<b>Received</b>		
		Grevek Investment & Finance Pvt.Ltd.	7,125.41	14,227.42
		Awaita Properties Pvt.Ltd.	-	14.15
		Metropolitan Industries	-	2.23
	<b>iii</b>	<b>Repayment</b>		
		Grevek Investment & Finance Pvt.Ltd.	522.29	105.85
		Awaita Properties Pvt.Ltd.	1.03	15.62
		Metropolitan Industries	0.64	-
	<b>iv</b>	<b>Balances at the end of year</b>		
		Grevek Investment & Finance Pvt.Ltd.	24,037.73	17,434.61
		Awaita Properties Pvt.Ltd.	-	1.03
		Metropolitan Industries	1.59	2.23
	<b>v</b>	<b>Received back</b>		
		Nikhil Gandhi HUF	365.82	25.07
		Bhavesh Gandhi HUF	250.18	140.70
	<b>vi</b>	<b>Receivable at the end of the year</b>		
		Nikhil Gandhi HUF	-	365.82
		Bhavesh Gandhi HUF	-	250.18
	<b>vii</b>	<b>Deposit Given</b>		
		Awaita Properties Pvt.Ltd.	54.02	-
	<b>viii</b>	<b>Corporate Guarantee Given</b>		
		Grevek Investments & Finance Pvt.Ltd.	8,500.00	8,500.00
	<b>ix</b>	<b>Redeemable Non convertible Bonds at the end of the year</b>		
		Grevek Investments & Finance Pvt.Ltd.	59,350.19	91,041.88
	<b>x</b>	<b>Redemption Premium Payable</b>		
		Grevek Investments & Finance Pvt.Ltd.	36,886.46	35,472.29
	<b>xi</b>	<b>Inter-Corporate Deposit</b>		
		Grevek Investments & Finance Pvt.Ltd.	7,970.07	7,053.16
	<b>xi</b>	<b>Interest Expenses</b>		
		Grevek Investments & Finance Pvt.Ltd.	3.38	263.37
	<b>xii</b>	<b>Redemption Premium</b>		
		Grevek Investments & Finance Pvt.Ltd.	1,414.17	7,986.00

## NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

c)	<b>5 Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Key Managerial Persons</b>		
	<b>i Managerial Remuneration-Short Term Employee Benefits</b>		
	Mr. Nilesh Mehta	36.00	36.00
	Mr. Shekhar Gandhi	23.83	-
	Mr. U B Singh	19.00	-
	Mr. Shankar Agrawal	20.00	-
	<b>ii Advance Receivable at the end of the year</b>		
	Mr. Nilesh Mehta	0.60	0.60
d)	<b>Details of Loans given, investment made and Guarantee given, covered u/s 186(4) of the Companies Act, 2013</b>		
	i Loan given and investment made are given under the respective head		
	ii Corporate Guarantee have been issued on behalf of related parties, details of which are given in related party transactions above		
	iii During the year Reliance Naval and Engineering Limited (RNEL) ceased to be an associate company of the Company. The Loan outstanding as on March 31, 2018 was Rs 35322.77 Lacs. Total interest receivable was Rs 47.17 Lacs. During the year the Company has not accounted for interest on Loan as the ultimate collection of interest income is not reasonably certain due to ongoing arbitration with the promoters of the RNEL.		

**Note 38****Jointly Controlled Entity**

Name	Country of Incorporation	Ownership interest	
		As at March 31, 2018	As at March 31, 2017
Sohar Free Zone LLC	Sultanate of Oman	27.18%	27.18%

Particulars	As at December 31, 2017	As at December 31, 2016
<b>Assets</b>		
- Long Term Assets	3,344.97	3,622.12
- Current Assets	3,637.57	3,651.77
<b>Liabilities</b>		
- Non Current Liabilities	2,557.83	3,318.50
- Current Liabilities & Provisions	2,313.25	2,014.14
<b>Income</b>	2,236.90	1,947.66
<b>Expenses</b>	1,449.57	1,380.60

**Note 39**

Exceptional items for the year include loss of Rs. 46,210.36 Lacs accounted on invocation of investment in equity shares of Reliance Naval and Engineering Limited which were pledged as security for loan obtained by RNEL and fair valuation gain of Rs. 30,774.76 lacs on non current financial liability at initial recognition

**Note 40****First Time Adoption of Ind - AS:**

Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, the Company has adopted March 31, 2018 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and consequently April 1, 2016 as the transition date for preparation of financial statements. The financial statements for the year ended March 31, 2018, are the first financials, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2017, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standard) Rule, 2006. For preparing these financial statements, opening balance sheet was prepared as at April 1, 2016 i.e. the date of transition to Ind-AS. The figures for the previous periods and for the year ended March 31, 2017 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.



**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

- I The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind-AS Opening Statement of financial position as at April 1, 2016. All explanations should be read in conjunction with the accounting policies of the Company as disclosed in the Notes to the Accounts.

<b>Particulars</b>	<b>Note</b>	<b>April 1 ,2016</b>	<b>March 31, 2017</b>
<b>Equity as per Previous GAAP</b>		2,67,579.25	2,42,458.99
Adjustments to Other Equity:			
<b>a Through Other Reserve to:</b>			
Non-Current Investments	III (i)	38,093.74	38,093.74
Non Current Borrowings	III (ii)	11,408.37	11,408.37
Trade Payables	III (iii)	68.98	68.98
Other Current Liabilities	III (iii)	201.56	201.56
Long-Term Loans and Advances	III (iii)	(750.00)	(750.00)
Other Non- Current assets	III (iii)	(16.00)	(16.00)
Current Investments	III (ii)	(2,286.76)	(2,286.78)
Trade Receivables	III (iii)	(5,940.68)	(5,940.69)
Short-Term Loans and Advances	III (iii)	(2,583.83)	(2,583.84)
<b>Sub Total</b>		<b>38,195.38</b>	<b>38,195.34</b>
<b>b Through Retained Earnings for:</b>			
Adjsutment of Loss on Sale of Investment			4,770.66
Finance Cost on Financial Liabilities			3,820.86
Other Expenses			9.00
<b>Sub Total</b>		-	8,600.52
<b>Total Adjustments</b>		38,195.38	46,795.86
<b>Equity as per Ind AS</b>		3,05,774.63	2,89,254.85

- II The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind-AS on Statement of Profit and Loss for the year ended March 31, 2017. All explanations should be read in conjunction with the accounting policies of the Company as disclosed in the Notes to the Accounts.

<b>Particulars</b>	<b>For the year ended March 31, 2017</b>
<b>Loss as per Previous GAAP</b>	<b>(17,134.26)</b>
Adjustments	
a Finance Cost on Financial Liability	2,396.60
b Adjsutment of Loss on Sale of Investment	6,409.92
c Redemption Premium adjusted in profit and loss	(7,986.00)
d Reversal of Preliminary Expenses	9.00
<b>Net Loss as per Ind-AS</b>	<b>(16,304.74)</b>
e Other Comprehensive Income	(215.03)
<b>Loss as per Ind-AS</b>	<b>(16,519.77)</b>

**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**III Notes to the reconciliation****i. Investment**

The Company has measured all of its Investment in equity instruments of Subsidiaries, Associates and Joint Ventures at fair value at the date of transition to Ind - AS. The Company has elected these value as deemed cost at the transition date. Further all other investment have been measured at fair value. Consequently, profit/loss on investment for the financial year 2016 - 17 has been recomputed.

ii Non Current borrowings are recognised on fair value at the date of transition and the difference between fair value and transaction price is credited to Other Reserve.

iii Consequent to the adoption of Ind-AS, the Company undertook a detailed evaluation of its Non-current assets, trade receivables, other current assets and current liabilities and provisions under Indian GAAP as at the date of transition being April 1, 2016. These assets and liabilities were assessed for future economic benefits expected to flow to the Company or collection or payment expected over the period of time in accordance with Ind-AS principals. Ind-AS requires measurement of provision for bad and doubtful debts to be determined with reference to the expected credit loss model. Such assets and liabilities, based on evaluation, have been measured at the present value discounted at effective interest rate and adjusted to other reserve as at transition date. Accordingly, the Company has made an additional provision on the transition date.

iv Previous GAAP required recognition of deferred tax using the income statement approach; however, Ind-AS requires the Company to recognise deferred tax using the balance sheet approach. The effect on account of application of Ind-AS has been duly accounted.

v In the preparation of these Ind-AS Financial Statements, the Company has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.

vi Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, the Statement of Profit and Loss under previous GAAP has been reconciled with profit and loss statement and total other comprehensive income as per Ind - AS.

**AS PER OUR REPORT OF EVEN DATE**

**For Kailash Chand Jain & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 112318W**

**Saurabh Chouhan**  
**Partner**  
**Membership No. 167453**

**Date : 28-05-2018**  
**Place : Mumbai**

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

**NIKHIL GANDHI**  
**Chairman**  
**Din: 00030560**

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

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

## CONSOLIDATED AUDITORS' REPORT

### TO THE MEMBERS OF SKIL INFRASTRUCTURE LIMITED

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of **SKIL INFRASTRUCTURE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Consolidated Ind AS 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 Consolidated Ind AS Financial Statements that give a true and fair view of the financial position, financial performance, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India (Indian GAAPs), including Indian Accounting Standards (IndAS) 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 Consolidated Ind AS 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 Consolidated Ind AS 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 Consolidated Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Consolidated Ind AS Financial Statement 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 Consolidated Ind AS Financial Statements.

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

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Ind AS Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India; of the state of affairs (Financial Position) of the company as at 31st March ,2018 and its loss (Financial Performance including other comprehensive income), its cash flow and the changes in equity for the year ended on that date.

#### Other Matters

1. We did not audit the financial of Five subsidiaries whose financial statement financial information reflect total assets (net) of Rs.(2507.19) Lacs as at 31<sup>st</sup> March, 2018, total revenues of 42.87 Lacs and net cash outflows amounting to Rs.1638.75 Lacs for the year ended on that date, as considered in the consolidated financial statements .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 term of sub-section (3) and (11) of section 143 of the Act, in so far 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 statement / financial information of one subsidiaries whose financial statements / financial information reflect total assets (net) of Rs.10747.83 Lacs as at 31<sup>st</sup> March, 2018, total revenues of (0.01) and net cash outflows amounting to Rs.0.27 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statement / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statement ,in so far as it related to the amount and disclosures included in respect of these subsidiaries and our report in terms of sub section (3) and (11) of section 143 of the act in so far it relates to the aforesaid subsidiaries is based solely on such unaudited financial statement/ Financial information. In our opinion and according to the information and explanations given to us by the management these financial statements/financial information are non 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.1818.80 Lacs as at 31<sup>st</sup> December, 2017, total revenue of Rs.2236.90 Lacs and net cash inflows amounting of Rs.654.71 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by the other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Results included in the statements, in so far as it relates to the amount and disclosure included in respect of this Joint Venture, is based solely on the report of the other auditors.  
This Jointly Controlled entity is having financial year ending as on 31st December of every year, since it is impracticable to get the financial data as on 31st March, 2018, as such we have considered the financial data of this entity as on 31st December, 2017 which is in line with Ind AS 110.
4. Two Associates of the company whose profit/ (loss) is not included in this consolidated financial statement due to unavailability of financials of that company.
5. 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 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 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 Ind AS 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018, 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 A".
  - 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 were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, associate companies and jointly controlled companies

**For KAILASH CHAND JAIN & CO.**

**Chartered Accountants**

**Firm Reg. No: 112318W**

**SAURABH CHOUHAN**

**PARTNER**

**Membership No. 167453**

**PLACE : MUMBAI**

**DATED : 28.05.2018**

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**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS 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, 2018 in conjunction with our audit of the Consolidated Ind AS Financial Statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on 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, to the best of our information and according to the explanation given to us, 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, 2018, 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 KAILASH CHAND JAIN & CO.**

**Chartered Accountants**

**Firm Reg. No: 112318W**

**SAURABH CHOUHAN**

**PARTNER**

**Membership No. 167453**

**PLACE : MUMBAI**

**DATED : 28.05.2018**

**CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018**

(Rs. in Lacs)

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>I ASSETS</b>				
<b>(1) Non Current Assets</b>				
Property, Plant and Equipment	2	25,447.73	43,653.44	44,391.32
Capital Work in Progress	3	62,616.21	87,960.06	70,907.81
Intangible Assets	2	-	3.72	8.67
Financial Assets				
Investments	4	3,39,901.89	4,09,789.94	4,35,235.66
Other Financial Assets	5	22,879.95	4,718.89	4,771.52
Other Non Current Assets	6	20,460.88	15,096.04	15,096.04
Non Current Tax	7	1,780.60	1,779.99	1,778.27
		<b>4,73,087.26</b>	<b>5,63,002.09</b>	<b>5,72,189.27</b>
<b>(2) Current Assets</b>				
Financial Assets				
Current Investments	8	168.44	617.33	1,155.19
Trade Receivables	9	669.76	689.85	733.89
Cash and Cash Equivalants	10	2,359.93	1,532.19	2,683.82
Other Bank Balances	11	934.92	1,915.69	362.13
Other Current Financials Assets	12	1,17,553.29	1,05,697.83	1,00,520.75
Other Current Assets	13	443.37	14.09	493.69
		<b>1,22,129.70</b>	<b>1,10,466.98</b>	<b>1,05,949.47</b>
<b>TOTAL</b>		<b>5,95,216.97</b>	<b>6,73,469.07</b>	<b>6,78,138.76</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>(1) Equity</b>				
Share Capital	14	21,657.12	21,657.12	21,657.12
Other Equity	15	2,17,165.44	2,27,616.48	2,60,015.28
<b>Equity attributable to Owners</b>		<b>2,38,822.56</b>	<b>2,49,273.60</b>	<b>2,81,672.40</b>
Non Controlling Interest		7,201.37	7,228.80	7,246.74
		<b>2,46,023.93</b>	<b>2,56,502.40</b>	<b>2,88,919.14</b>
<b>(2) Liabilities</b>				
<b>Non Current Liabilities</b>				
Financial Liabilities				
Borrowings	16	2,03,759.68	2,43,297.52	2,43,522.97
Other Financial Liabilities	17	8,681.10	-	-
Provisions	18	35.27	23.86	21.27
Deferred Tax Liabilities (net)	19	82.56	97.75	116.03
		<b>2,12,558.61</b>	<b>2,43,419.13</b>	<b>2,43,660.27</b>
<b>Current Liabilities</b>				
Financial Liabilities				
Borrowings	20	9,032.64	27,371.38	29,713.00
Trade Payables	21			
(i) Due to Micro and Small Enterprise				
(ii) Due to others		1,825.57	2,139.06	2,180.91
Other Current Financial Liabilities	22	84,562.68	89,443.10	63,864.65
Other Current Liabilities	23	41,156.19	54,539.49	49,739.38
Current Provisions	24	57.35	54.51	61.41
		<b>1,36,634.43</b>	<b>1,73,547.54</b>	<b>1,45,559.35</b>
<b>TOTAL</b>		<b>5,95,216.97</b>	<b>6,73,469.07</b>	<b>6,78,138.76</b>
Significant Accounting Policies	1			
Notes to the Financial Statements	2 to 40			

**AS PER OUR REPORT OF EVEN DATE**

For Kailash Chand Jain & Co.  
Chartered Accountants  
Firm Reg. No: 112318W

Saurabh Chouhan  
Partner  
Membership No. 167453

Date : 28-05-2018  
Place : Mumbai

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

NIKHIL GANDHI  
Chairman  
Din: 00030560

NILESH MEHTA  
Company Secretary

SHEKHAR GANDHI  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

Particulars	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>Revenue</b>			
Net Revenue from Operations	25	2,213.00	1,928.15
Other Income	26	274.30	3,389.69
Total Revenue		<u>2,487.30</u>	<u>5,317.84</u>
<b>Expenses</b>			
Employee Benefits Expenses	27	827.30	894.56
Finance Costs	28	22,077.15	21,538.66
Depreciation and Amortisation Expenses	2	272.02	295.34
Other Expenses	29	7,127.96	1,809.11
Total Expenses		<u>30,304.44</u>	<u>24,537.66</u>
<b>Loss before Exceptional Items and Tax</b>		(27,817.13)	(19,219.82)
<b>Exceptional Items</b>	39	(15,435.60)	333.12
<b>Profit / (Loss) Before Tax</b>		(43,252.74)	(18,886.70)
Tax Expense - Current Tax		-	-
- Deferred Tax Credit		9.34	(0.43)
- Income Tax for Earlier Years			(153.36)
		9.34	(153.79)
<b>Loss for the year</b>		(43,243.40)	(19,040.49)
Share of Net Loss of Associates			(12,590.80)
Non Controlling Interest		2.00	17.94
<b>Net Loss attributable to the owners of the Company</b>		(43,241.40)	(31,613.36)
<b>Other Comprehensive Income to be reclassified to profit and loss in subsequent year</b>			
Fair Valuation of Non Current Investment		(7,582.55)	(212.23)
Income Tax relating to Other Comprehensive Income		-	-
<b>Other Comprehensive Income not to be reclassified to profit and loss in subsequent year</b>			
Actuarial gains/(losses) on defined benefit plans		1.09	(2.80)
Income Tax relating to Other Comprehensive Income		-	-
<b>Other Comprehensive Income for the year</b>		<u>(7,581.45)</u>	<u>(215.03)</u>
<b>Total Comprehensive Income for the year</b>		<u>(50,822.84)</u>	<u>(31,828.39)</u>
<b>Profit/Loss attributable to:</b>			
a Owners of the Company		(43,243.39)	(31,631.36)
b Non Controlling Interest		2.00	17.94
<b>Other Comprehensive Income attributable to:</b>			
a Owners of the Company		(7,581.45)	(215.03)
b Non Controlling Interest		-	-
<b>Total Comprehensive Income attributable to:</b>			
a Owners of the Company		(50,824.84)	(31,846.33)
b Non Controlling Interest		2.00	17.94
Earnings per Equity Share of Rs. 10/- each	30		
- Basic (In Rupees)		(23.47)	(14.70)
- Diluted (In Rupees)		(23.47)	(14.70)
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 40		

**AS PER OUR REPORT OF EVEN DATE**

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453

Date : 28-05-2018  
Place : Mumbai

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

**NIKHIL GANDHI**  
Chairman  
Din: 00030560

**NILESH MEHTA**  
Company Secretary

**SHEKHAR GANDHI**  
Chief Financial Officer



**CONSOLIDATED CASH FLOW STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

Sr. No.	Particulars	2017 - 2018	2016 - 2017
<b>A</b>	<b>Cash Flow from Operating Activities</b>		
	Net Loss before Tax	(27,817.13)	(19,219.82)
	Adjustments for :-		
	Depreciation and Amortisation Expenses	272.02	295.34
	Interest Income	(48.09)	(2,297.16)
	Dividend on Current Investments	(0.29)	(0.97)
	Loss on Sale of Investment	6,318.37	(1,017.42)
	Loss on Sale of Plant, property and equipments (net)	-	(3.72)
	Finance Costs	22,077.14	21,538.66
	Actuarial gains/(losses) on defined benefit plans	1.09	(2.80)
	Balances Written off/back (net)	(200.00)	(47.32)
	<b>Operating profit/(loss) before working capital changes</b>	<b>603.12</b>	<b>(755.21)</b>
	Adjusted for		
	Trade and Other Receivables	(18,570.25)	(5,629.98)
	Trade and Other Payables	(13,481.24)	4,933.76
	<b>Cash Used in Operations</b>	<b>(31,448.37)</b>	<b>(1,451.43)</b>
	Direct Taxes (Paid) / Refund	(0.61)	156.08
	<b>Net Cash Used in Operating Activities</b>	<b>(31,448.97)</b>	<b>(1,295.35)</b>
<b>B</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Property, plant and equipment and Capital Work in Progress	19,975.65	(16,605.71)
	Sale of Property, plant and equipment	17,632.75	4.65
	Advance to Related Parties (Net)	9,164.66	-
	Loan to Others	(21,060.76)	-
	Interest Received	48.09	2,297.16
	Sale of Investments	50,872.89	12,132.25
	Dividend Received on Current Investments	0.29	0.60
	<b>Net Cash (used in)/Generated from Investing Activities</b>	<b>76,674.21</b>	<b>(2,171.05)</b>
<b>C</b>	<b>Cash Flow from Financing Activities</b>		
	Proceeds from Long Term Borrowings	1,424.75	11,968.43
	Repayment of Long Term Borrowings	-	-
	Short Term Borrowings (Net)	(18,338.74)	(2,341.62)
	Interest Paid	(28,464.30)	(5,757.69)
	Margin Money (Net)	980.12	(1,554.34)
	Dividend Paid	0.65	-
	<b>Net Cash Flow Generated from Financing Activities</b>	<b>(44,397.52)</b>	<b>2,314.78</b>
	<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>827.72</b>	<b>(1,151.62)</b>
	Cash and Cash Equivalents - Opening balance (Refer note no 11)	1,532.20	2,683.82
	Cash and Cash Equivalents - Closing balance (Refer note no 11)	2,359.92	1,532.20

**Change in Liability arising from financing activities**

Rs in Lacs

S. no	Particulars	As at March 31, 2018		As at March 31, 2017	
		Long Term Borrwings	Short Term Borrwings	Long Term Borrwings	Short Term Borrwings
1	Opening Balance	2,71,541.71	27,371.38	2,61,969.67	29,713.00
2	Net Cash Flow as above	1,424.75	(18,338.74)	11,968.43	(2,341.62)
3	Non Cash Changes	(30,774.78)	-	(2,396.39)	-
4	Closing Balance	2,42,191.68	9,032.64	2,71,541.71	27,371.38

**Notes:**

- (1) The above cash flow statement has been prepared under the "indirect method" as set out in Ind-AS 7 - Cash flow Statement.
- (2) Figures in brackets indicate outflow.
- (3) Previous Year figures have been regrouped / rearranged / recasted wherever necessary to make them comparable with those of current year.

**AS PER OUR REPORT OF EVEN DATE**

**For Kailash Chand Jain & Co.**  
Chartered Accountants  
Firm Reg. No: 112318W

**Saurabh Chouhan**  
Partner  
Membership No. 167453

**Date : 28-05-2018**  
**Place : Mumbai**

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

**NIKHIL GANDHI**  
Chairman  
Din: 00030560

**NILESH MEHTA**  
Company Secretary

**SHEKHAR GANDHI**  
Chief Financial Officer

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**A Equity Share Capital**

Particulars	As at March 31, 2018		As at March 31, 2017		As at March 31, 2016	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
Equity Shares at the beginning of the year	21,65,71,232	21,657.12	21,65,71,232	21,657.12	21,65,71,232	21,657.12
Add: Shares Issued during the year	-	-	-	-	-	-
Equity Shares at the end of the year	21,65,71,232	21,657.12	21,65,71,232	21,657.12	21,65,71,232	21,657.12

**B Other Equity**

Particulars	Reserve and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium	Other Reserve	Statutory Reserve	Retained Earning	Foreign Currency Translation Reserve	Other items of Comprehensive Income	
As at April 1, 2016	2,44,312.80	9,441.56	1,03,849.28	11.78	(99,171.93)	1,571.79	-	2,60,015.28
Add/(Less):								
Loss for the year	-	-	-	-	(31,613.36)	-	-	(31,613.36)
Additions during the year	20.50	-	-	56.75	(49.97)	(597.69)	-	(570.41)
Other Comprehensive Income	-	-	-	-	-	-	(215.03)	(215.03)
<b>As at March 31, 2017</b>	<b>2,44,333.30</b>	<b>9,441.56</b>	<b>1,03,849.28</b>	<b>68.53</b>	<b>(1,30,835.26)</b>	<b>974.10</b>	<b>(215.03)</b>	<b>2,27,616.48</b>
Loss for the year	-	-	-	-	(43,241.39)	-	-	(43,241.39)
Adjustment on dilution of Control	-	-	-	-	40,371.80	-	-	40,371.80
Other Comprehensive Income	-	-	-	-	-	-	(7,581.45)	(7,581.45)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,869.58)</b>	<b>-</b>	<b>(7,581.45)</b>	<b>(10,451.03)</b>
<b>As at March 31, 2018</b>	<b>2,44,333.30</b>	<b>9,441.56</b>	<b>1,03,849.28</b>	<b>68.53</b>	<b>(1,33,704.84)</b>	<b>974.10</b>	<b>(7,796.48)</b>	<b>2,17,165.44</b>

AS PER OUR REPORT OF EVEN DATE

For Kailash Chand Jain & Co.  
Chartered Accountants  
Firm Reg. No: 112318W

Saurabh Chouhan  
Partner  
Membership No. 167453

Date : 28-05-2018  
Place : Mumbai

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

NIKHIL GANDHI  
Chairman  
Din: 00030560

NILESH MEHTA  
Company Secretary

SHEKHAR GANDHI  
Chief Financial Officer

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

### Note - 1

#### General Information

SKIL Infrastructure Limited is a company limited by shares, incorporated and domiciled in India. The registered office of the company is located at SKIL House, 209 Bank Street Cross Lane, Fort, Mumbai 400023). The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company is Infrastructure Company developing projects through various Special Purpose Vehicles (SPVs) in several high growth sectors

These Consolidated Financial statements of the Company for the year ended March 31, 2018 were authorised for issue by board of directors on May 28, 2018. Pursuant to the provisions of the section 130 of the Act, the Central Government, Income Tax Authorities, Securities and Exchange Board of India, other statutory regulatory body and under section 131 of the Act, the board of directors of the Company have power to amend/re-open the Financial statements approved by the board/adopted by the members of the Company.

#### Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### a Basis of Preparation of Consolidated Financial Statements:

The Consolidated Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] on accrual basis and other relevant provisions of the Act. Financial Statements have been prepared in accordance with the requirements of the information and disclosures mandated by Schedule III, applicable Ind AS, other applicable pronouncements and regulations. These Financial Statements are the Company's first Ind AS Financial Statements and as covered by Ind AS 101, 'First-time adoption of Indian Accounting Standard'. For all periods up to and including the year ended March 31, 2017, the Company has prepared its Financial Statements in accordance with Indian GAAP, including accounting standards (AS) notified under the Companies (Accounting Standards) Rules, 2006 (as amended), which is considered as "Previous GAAP". An explanation of how the transition to Ind-AS has affected the Company's equity and its net profits/losses is provided in note no 40.

##### b Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following:

- i Certain financial assets and liabilities that are measured at fair value;
- ii Defined benefit plans - plan assets measured at fair value; and
- iii Assets held for sale – measured at fair value less cost to sell;

##### c Principles of Consolidation:

The consolidated financial statements relate to the SKIL Infrastructure Limited ('the Company') and its subsidiary companies & associate company. The consolidated financial statements have been prepared on the following basis:

- i. The consolidated financial statements of the Company and its subsidiaries are combined on a line-by-line basis by adding together the book values of the like items of assets, liabilities, income and expenses, after fully eliminating intra - group balances and intra - group transactions in accordance with Ind - AS 110 "Consolidated Financial Statements".
- ii. Subsidiaries are the entities controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date on which control commences until the date on which control ceases.
- iii. In case of a foreign subsidiary, being non integral operations, revenue items are consolidated at the average rate prevailing during the year. All the assets and liabilities are converted at the rates prevailing at the end of the year. The resultant translation exchange differences have been transferred to foreign currency translation reserves through other comprehensive income.
- iv. **Non-controlling interests (NCI):**  
NCI are measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition.
- v. **Transactions eliminated on consolidation:**  
Intra - group balances and transactions and any unrealised income and expenses arising from intra-group transactions, net of deferred taxes, are eliminated.
- vi. As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- vii. The difference between the cost of investment in the subsidiaries, over the net assets at the time of acquisition of shares in the subsidiaries are recognized in the Consolidated Financial Statements as Goodwill, which is not being amortised but tested for impairment periodically.
- viii. Investments in Associate Company have been accounted under the equity method as per Ind - AS 28 "Investments in Associates and Joint Ventures".

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**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

- ix. The differences between the cost of investment in the associate and the share of net assets at the time of acquisition of shares in associate are identified in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be.

**d Functional and Presentation Currency:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (INR), which is the functional currency for the Company.

**e Use of Estimates:**

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realised may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognised in the period in which the results are known / materialised and if material, their effects are disclosed in the notes to the Financial Statements.

**Estimates and assumptions are required in particular for:**

- i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset, estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

**ii. Recognition and measurement of defined benefit obligations**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

**iii. Recognition of deferred tax assets**

Deferred tax asset is recognised for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. The management assumes that taxable profits will be available while recognising deferred tax assets.

**iv. Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may, therefore, vary from the figure included in other provisions.

**v. Discounting of long-term financial liabilities**

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortised cost, interest is accrued using the effective interest method.

**vi. Determining whether an arrangement contains a lease**

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease. At the inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for the other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. In case of operating lease, the Company treats all payments under the arrangement as lease payments.

**vii. Fair value of financial instruments**

Derivatives are carried at fair value. Derivatives include Foreign Currency Forward Contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts is determined using the rates published by Reserve Bank of India (RBI). Fair value of Interest Rate Swaps is determined with respect to current market rate of interest.

**f Standards Issued But Not Yet Effective:**

On March 28, 2018, the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from Contract with Customers and certain amendment to existing Ind AS. These amendments shall be applicable to the Company from April 01, 2018.

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**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**i Issue of Ind AS 115 - Revenue from Contracts with customers**

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and the related interpretations. The core principles of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

**ii Amendment to Existing issued Ind AS**

The MCA has also notified certain amendments to the following Accounting Standards:

- 1 Ind AS 21 - The Effects of Changes in Foreign Exchange Rates
- 2 Ind AS 12 - Income Taxes

Applications of the above standards are not expected to have any significant impact on the Company's financial statements.

**g Current Versus Non Current Classification:**

**i. The assets and liabilities in the Balance Sheet are based on current/ non - current classification. An asset is current when it is:**

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

All other assets are classified as non-current.

**ii A liability is current when it is:**

- 1 Expected to be settled in normal operating cycle
- 2 Held primarily for the purpose of trading
- 3 Due to be settled within twelve months after the reporting period, or
- 4 There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are treated as non - current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**h Other Significant Accounting Policies:**

**I Property, Plant and Equipments:**

- i. The Company has measured all of its Property, Plant and Equipments historical cost at the date of transition to Ind - AS. The Company has elected these value as deemed cost at the transition date.
- ii. Property, Plant and Equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any. All costs, including finance costs incurred up to the date the asset is ready for its intended use are capitalised as part of total cost of assets.
- iii. Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre - operative expenses and disclosed under Capital Work - in - Progress.

**II Depreciation:**

- i. Depreciation is provided, under the Straight Line Method, pro rata to the period of use, based on useful life specified in Schedule II to the Companies Act, 2013.
- ii. In respect of additions/extensions forming an integral part of existing assets, depreciation has been provided over residual life of the respective assets. Significant additions which are required to be replaced/performed at regular interval are depreciated over the useful life of their specific life.
- iii. Depreciation methods, useful life and residual values are reviewed at each reporting date and adjusted if appropriate.

**III Borrowing Costs:**

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset (net of income earned on temporary deployment of funds) are capitalised as a part of the cost of such assets. Borrowing cost consists of interest, other cost incurred in connection with borrowings of fund and exchange differences to the extent regarded as an adjustment to the borrowing cost. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****IV Intangible Assets:**

Intangible Assets having finite life are stated at cost of acquisition less accumulated amortization and accumulated impairment, if any. Amortization is done over their estimated useful life on straight line basis from the date that they are available for intended use, subjected to impairment test. Software, which is not an integral part of the related hardware is classified as an intangible asset and is amortized over the useful life of 5 years.

**V Fair Value Measurement:**

Fair value is the price that would be received to sell an assets or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an assets or liability is measured using the assumptions that market participants would use when pricing the assets or liability, acting in their best economic interest. The fair value of plant and equipments as at transition date to Ind- AS have been taken based on valuation performed by an independent technical expert. The Company used valuation techniques which were appropriate in circumstances and for which sufficient data were available considering the expected loss/profit in case of financial assets or liabilities.

**VI Revenue Recognition:**

- i Revenue from operation include income from sale of goods, services and service tax/Goods and Service Tax and is net of value added tax and sales tax recovered.
- iii. Interest income is recognised on a time proportion basis. Dividend is considered when the right to receive is established. Insurance and other claims are recognised as revenue on certainty of receipt on prudent basis.

**VII Foreign Currency Transactions:**

- i. Revenue 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 re measured at the exchange rate prevailing on the balance sheet date.
- 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 restatement is recognised in the Statement of Profit and Loss.

**VIII Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets****i Classification**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

**ii Initial recognition and measurement**

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

**iii Financial Assets measured at amortised cost:**

Financial assets are measured at amortised cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of Profit or Loss. This category generally applies to trade and other receivables.

**iv Financial Assets measured at fair value through other comprehensive income (FVTOCI):**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

**v Financial Assets measured at fair value through profit or loss (FVTPL):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

**vi Investment in Subsidiary and Associates:**

The Company has measured all of its Investment in equity instruments of Subsidiaries, Associates and Joint Ventures at fair value at the date of transition to Ind - AS. The Company has elected these value as deemed cost at the transition

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

date. Subsequently, these Investment in equity instruments of Subsidiaries, Associates and Joint Ventures are measured at deemed cost. Provision for Impairment loss on such investment is made only when there is a diminution in value of the investment which is other than temporary.

### **vii Investment in Equity Instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognized in the Other Comprehensive Income. There is no recycling of the amounts from other comprehensive income to profit or loss

### **viii Investment in Debt Instruments:**

A debt instrument is measured at amortised cost or at FVTPL. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVOCI, is classified as at FVTPL. Debt instruments included with in the FVTPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

### **ix Derecognition of Financial Assets**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

### **x Impairment of Financial Assets**

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not valued through Profit and Loss.

## **Financial Liabilities**

### **i Classification**

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

### **ii Initial recognition and measurement**

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

### **iii Subsequent measurement**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

### **iv Loans and Borrowings**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

### **v Derecognition of Financial Liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

### **vi Derivative Financial Instrument and Hedge Accounting**

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps, to hedge its foreign currency risks and interest rate risks respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

**IX Leases:****i Lease payments**

Payments made under operating leases are recognised in Statement of Profit and Loss. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

**ii Lease assets**

Assets held by the Company under leases that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

**X Employee Benefits:****i Short term employee benefits**

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**ii. Defined benefit plans**

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

**iii. Other long-term employee benefits**

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurement is recognised in Statement of Profit and Loss in the period in which they arise.

**XI Provision for Current and Deferred Tax:**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

**i. Current tax**

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

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

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

**ii. Deferred Tax**

Deferred tax is recognized for the future tax consequences of deductible temporary differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rate and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilised. Deferred tax relating to items recognised in other comprehensive income and directly in equity is recognised in correlation to the underlying transaction.

**Deferred tax assets and liabilities are offset only if:**

- 1 entity has a legally enforceable right to set off current tax assets against current tax liabilities; and
- 2 deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

**XII Impairment of Assets:**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**XIII Provision, Contingent Liabilities and Contingent Assets:**

A provision is recognized if as a result of a past event the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are not recognised but disclosed in the Financial Statements when economic inflow is probable.

**XIV Earnings per share**

- i Basic earnings per share: Basic earnings per share is calculated by dividing:
  - 1 the profit attributable to owners of the Company
  - 2 by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.
- ii Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
  - 1 the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
  - 2 the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares. III

**i Subsidiary/Associate/Joint Venture Companies considered in the Consolidated Financial Statements:**

**a Subsidiary Companies**

Name of the Subsidiary	Nature of Business	Country of Incorporation	Proportion of Ownership Interest
SKIL-Himachal Infrastructure & Tourism Limited	Infrastructure Development	India	100%
SKIL Shipyard Holdings Private Limited		India	100%
SKIL (Singapore) Pte Limited of Singapore		Singapore	100%
SKIL Advanced Systems Private Limited		India	100%
Metrotech Technology Park Pvt Ltd		India	100%
Chiplun FTWZ Private Limited		India	52%
Gujarat-Dwarka Portwest Limited		India	73.60%

**b Joint Venture**

Name of the Company	Country of Incorporation and place of business	Proportion of Ownership Interest
Sohar Free Zone LLC	Sultanate of Oman	27.18%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## Note 2: Property, plant and equipment

Rs. In lacs

Particulars	Tangible Assets					Tangible Total	Intangible Assets Computer Software
	Freehold Land	Building	Furniture and fixtures	Office equipment	Vehicles		
<b>Gross Block</b>							
<b>Balance at 1 April 2016</b>	<b>40,997.23</b>	<b>3,707.11</b>	<b>118.29</b>	<b>204.66</b>	<b>1,437.85</b>	<b>46,465.14</b>	<b>25.80</b>
Additions	-	96.59	-	3.91	2.66	103.16	-
Disposals/ Adjustments	-	683.96	2.27	4.31	73.30	763.84	3.38
Foreign Exchange Adj		86.31	0.04	0.10		86.45	0.43
<b>Balance at 31 March 2017</b>	<b>40,997.23</b>	<b>3,206.05</b>	<b>116.06</b>	<b>204.36</b>	<b>1,367.21</b>	<b>45,890.90</b>	<b>22.85</b>
Additions	-	-	-	3.36	-	3.36	-
Disposals	17,764.95	-	12.50	8.06	6.23	17,791.74	0.32
Foreign Exchange Differences		(192.92)	-	-	-	(192.92)	-
<b>Balance at 31 March 2018</b>	<b>23,232.28</b>	<b>3,013.13</b>	<b>103.56</b>	<b>199.66</b>	<b>1,360.98</b>	<b>27,909.60</b>	<b>22.53</b>
<b>Accumulated depreciation</b>							
<b>Balance at 1 April 2016</b>	-	<b>547.40</b>	<b>103.07</b>	<b>195.42</b>	<b>1,227.93</b>	<b>2,073.82</b>	<b>17.13</b>
Depreciation charge for the year	-	237.48	8.08	3.91	56.95	306.42	3.74
Disposals/ Adjustments	-	100.99	0.34	3.38	54.29	159.00	2.05
Foreign Exchange Differences		16.10	0.04	0.08	-	16.22	0.30
<b>Balance at 31 March 2017</b>	-	<b>699.99</b>	<b>110.85</b>	<b>196.03</b>	<b>1,230.59</b>	<b>2,237.46</b>	<b>19.12</b>
Depreciation for the year	-	235.77	0.98	1.85	32.52	271.12	3.29
Disposals/ Adjustments	-		10.44	1.26	0.56	12.26	-
Foreign Exchange Adj		(34.47)	-	0.02		(34.45)	0.10
<b>Balance at 31 March 2018</b>	-	<b>901.29</b>	<b>101.39</b>	<b>196.64</b>	<b>1,262.55</b>	<b>2,461.87</b>	<b>22.51</b>
<b>Net Block</b>							
Balance at 31 March 2018	23,232.28	2,111.83	2.17	3.02	98.43	25,447.73	-
Balance at 31 March 2017	40,997.23	2,506.06	5.21	8.33	136.62	43,653.44	3.73
Balance at 1 April 2016	40,997.23	3,159.71	15.22	9.24	209.92	44,391.32	8.67

2.1 In accordance with the Ind-AS 36 on "Impairment of Assets", the Management has during the year carried out an exercise of identifying the assets that would have been impaired in respect of each cash generating unit. On the basis of this review carried out by the Management, there was no impairment loss on Fixed Assets during the year.

2.2 Out of total depreciation Rs 2.39 Lacs (Previous year: Rs 14.79 Lacs) has been transferred to Capital work in progress

## Note 3: Capital Work in Progress

Particulars	Balance as at 31.03.2018	Balance as at 31.03.2017	Balance as at 01.04.2016
Assets Under Construction	62,616.21	87,960.06	70,907.81

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Note 4**

**Non-Current Investments**

Particulars	% of holding	Face Value	Numbers			Amount		
			March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Long Term Trade Investments (Unquoted and fully paid up)- Financial Assets measured at cost</b>								
<b>In Equity Instruments of Associate Companies - Unquoted</b>								
Rosoboron Service (India) Limited	20.00%	100	13,500	13,500	13,500	81.00	81.00	81.00
Urban Infrastructure Holdings Private Limited	35.00%	10	12,41,56,500	12,41,56,500	12,41,56,500	3,17,850.15	3,17,850.15	3,17,850.15
<b>In Equity Instruments - Quoted (FVTOCI)</b>								
Everonn Education Ltd.	6.94%	10	16,69,565	16,69,565	33,06,591	204.44	204.44	444.15
Fastlane Distriparks & Logistics Limited's Trust	2.74%	10	59,34,328	59,34,328	59,34,328	593.43	593.43	593.43
Horizon Country Wide Logistics Limited's Trust	4.30%	10	93,08,160	93,08,160	93,08,160	930.82	930.82	930.82
Reliance Naval and Engineering Limited #	2.38%	10	1,85,39,230	17,59,52,263	19,38,77,041	5,107.55	74,920.80	1,00,050.98
<b>In Equity Instruments - Unquoted (FVTOCI)</b>								
Mumbai SEZ Limited	6.49%	10	14,64,08,090	14,64,08,090	14,64,08,090	14,333.35	14,333.35	14,333.35
Donyi Polo Petrochemicals Limited	11.26%	10	26,25,500	26,25,500	26,25,500	247.86	247.86	247.86
Karanja Terminal & Logistics Pvt. Ltd.	0.12%	10	24,500	24,500	24,500	2.45	2.45	2.45
Shriram New Horizons Ltd.	18.52%	10	50,00,000	50,00,000	50,00,000	500.00	500.00	500.00
Navi Mumbai SMART CITY Infrastructure Ltd*##	20.15%	10	10,12,783	25,02,783	25,02,783	50.84	125.64	201.47
<b>Total</b>						<b>3,39,901.89</b>	<b>4,09,789.94</b>	<b>4,35,235.66</b>

\* Accounted on Fair Value as per requirement of Ind-AS 109

# Ceased to be an associate of the Company during the year

## Ceased to be an Subsidiary of the Company during the year

**4.1 Details of shares pledged :**

- Investment in Everonn Education Limited includes are pledged with the lenders of one of the subsidiary company.
- Investment in Reliance Naval and Engineering Ltd. are pledged with the lenders of the Company and subsidiary company.
- Refer note no 16 for details of Investments pledged with Lenders for loan facilities availed by the Company.

**4.2 Aggregate amount of Non Current Investments**

Particulars	As At March 31, 2018		As At March 31, 2017		As At April 1, 2016	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Quoted Investments	6,836.24	6,836.24	76,649.49	76,649.49	1,02,019.38	1,02,019.38
Unquoted Investments	3,33,065.65	-	3,33,140.45	-	3,33,216.28	-

**Note 5**

**Other Financial Assets**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Security Deposits with			
Related Parties	54.02	-	-
Others			
- Considered goods	1,357.38	1,538.41	1,533.28
- Considered doubtful	150.00	150.00	150.00
	1,561.40	1,688.41	1,683.28
Less Provision on Impairment of assets	150.00	150.00	150.00
	1,411.40	1,538.41	1,533.28
Loan to Body Corporates- Considered Good	21,468.55	3,180.48	3,238.24
<b>Total</b>	<b>22,879.95</b>	<b>4,718.89</b>	<b>4,771.52</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

## Note 6

## Other Non- Current assets

(Unsecured and considered good)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Capital Advances	20,460.88	15,096.04	15,096.04
<b>Total</b>	<b>20,460.88</b>	<b>15,096.04</b>	<b>15,096.04</b>

## Note 7

## Non- Current Tax assets (NET)

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Advance income-tax	1,780.60	1,779.99	1,778.27
<b>Total</b>	<b>1,780.60</b>	<b>1,779.99</b>	<b>1,778.27</b>

## Note 8

## Current Investments

Particulars	Numbers			Amount		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>In Equity Shares -Financial Assets carried at fair value through profit &amp; loss</b>						
<b>Quoted Fully Paid up</b>					-	-
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	-	0.70	0.70
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
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	1,105	0.03	0.03	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
<b>Total</b>				<b>0.03</b>	<b>146.68</b>	<b>148.68</b>

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**In Units -Financial Assets carried at fair value through profit & loss**

**Quoted Fully Paid up**

Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan - Wholesale -Daily Dividend of Rs. 10 each	47927	47927	47927	4.87	4.87	4.81
Investment in HDFC Cash Mgmt. Fund - Treasury Adavantage Plan - Retail -Daily Dividend of Rs. 10 each	16590	13741	10795	1.68	1.39	1.08

**Unquoted Fully Paid up**

Urban Infrastructure Opportunities Fund (Face Value Rs 1 Lacs)	2750	2750	2750	161.86	464.39	1,000.62
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<b>Total</b>				<b>168.44</b>	<b>617.33</b>	<b>1,155.19</b>
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**8.1 Aggregate amount of Current Investments**

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Book Value	Market Value	Book Value	Market Value	Book Value	Market Value
Quoted Investments	6.58	6.58	152.94	152.94	154.57	154.57
Unquoted Investments	161.87	-	464.38	-	1,000.62	-

**Note 9**

**Trade Receivables (Unsecured)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Considered Good	669.76	689.85	733.89
Considered Doubtful	5,940.68	5,940.68	5,940.68
	6,610.44	6,630.53	6,674.57
Less: Provision for Impairment	5,940.68	5,940.68	5,940.68
<b>Total</b>	<b>669.76</b>	<b>689.85</b>	<b>733.89</b>

9.1 Trade receivables are non - interest bearing and receivable in normal operating cycle

**Note 10**

**Cash and Cash Equivalents**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balances with Banks In Current Accounts	2,139.06	1,528.36	2,544.83
Cash on hand	7.75	3.83	138.99
Fixed Deposit with Banks(less than three months)	213.11	-	-
<b>Total</b>	<b>2,359.92</b>	<b>1,532.19</b>	<b>2,683.82</b>

**Note 11**

**Other Bank Balances**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance with Banks in dividend account	1.44	2.09	2.87
Fixed Deposits with Banks	933.48	1,913.60	359.26
<b>Total</b>	<b>934.92</b>	<b>1,915.69</b>	<b>362.13</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

## Note 12

## Other Current Financial Assets

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Loans and Advances</b>			
Related Parties	943.00	10,106.74	2,265.57
Directors and other officers	0.60	42.16	50.72
Others	1,16,609.69	95,548.93	98,204.46
<b>Total</b>	<b>1,17,553.29</b>	<b>1,05,697.83</b>	<b>1,00,520.75</b>

## 12.1 Details of Loans given pursuant to regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

Company Name	Closing Balance		
	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Associate</b>			
Rosoboron Service (India) Limited	943.00	943.00	893.00
E Complex Private Limited*	-	3,337.16	-
Reliance Naval and Engineering Limited*	-	331.89	316.61
Reliance Marine and Offshore Limited*	-	1,129.80	1,055.97
Reliance Engineering and Defence services Limited*	-	4,364.90	-
<b>Directors and Key Managerial Persons</b>			
Sudipan Bhaduri*	-	41.56	47.81
Nilesh Mehta	0.60	0.60	2.91

\* ceased to be related party as at March 31, 2018

a) All the above Loans are given for meeting working capital requirements and interest bearing.

b) Loans to employee and reimbursement of expenses are not considered for this clause.

c) There are no investments by the Loanees at March 31, 2018 in the shares of the Company and Subsidiary Companies.

## Note 13

## Other Current Assets

## (Unsecured &amp; considered good)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Other Advances	440.89	11.83	479.73
Deposits	-	2.26	13.96
Prepaid expenses	2.48	-	-
<b>Total</b>	<b>443.37</b>	<b>14.09</b>	<b>493.69</b>

## Note 14

## Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Authorised</b>			
91,00,00,000 (Previous Year: 91,00,00,000) Equity Shares of Rs. 10/- each	91,000.00	91,000.00	91,000.00
<b>Issued, Subscribed and fully paid up</b>			
21,65,71,232 (Previous Year: 21,65,71,232) Equity Shares of Rs. 10/- each fully paid up	21,657.12	21,657.12	21,657

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**14.1 Reconciliation of Equity Shares outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Shares at the beginning of the year	21,65,71,232	21,65,71,232	21,65,71,232
Add: Issued during the year	-	-	-
<b>Equity Shares at the end of the year</b>	<b>21,65,71,232</b>	<b>21,65,71,232</b>	<b>21,65,71,232</b>

**14.2 Shareholders holding more than 5% Shares in the Company:**

Shares held by	As at March 31st, 2018		As at March 31st, 2017		As at April 1, 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Metropolitan Industries	8,27,43,840	38.20	8,30,07,828	38.33	8,74,10,539.00	40.36
Montana Infrastructure Ltd	3,23,98,791	14.96	3,23,48,791	14.94	3,48,48,791.00	16.09
Ashoka Investment Holdings Private Ltd	1,12,76,659	5.21	1,12,76,659	5.21	1,12,76,659.00	5.21
SREI Infrastructure Finance Limited	1,76,66,820	8.16	1,76,66,820	8.16	1,76,66,820.00	8.16

**14.3 Terms and Rights attached to Equity Shares**

The Company has only one class of Equity Share having par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. In the event of liquidation of the Company, the equity share holders 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 shares held by the shareholders.

**Note 15**

**OTHER EQUITY**

Particulars	As at March 31st, 2018		As at March 31st, 2017		As at April 1st, 2016	
<b>Capital Reserve</b>						
Opening Balance	2,44,333.30		2,44,312.80		2,44,312.80	
Additions during the year	-	2,44,333.30	20.50	2,44,333.30	-	2,44,312.80
<b>Securities Premium Account</b>						
Opening Balance	9,441.56		9,441.56		9,441.56	
Add :- On Issue of Shares	-	9,441.56	-	9,441.56	-	9,441.56
<b>Other Reserve</b>						
Opening Balance	1,03,849.28		1,03,849.28		1,03,849.28	
Additions during the year	-	1,03,849.28	-	1,03,849.28	-	1,03,849.28
<b>Statutory Reserve</b>						
Opening Balance	68.53		11.78		11.78	
Additions during the year	-	68.53	56.75	68.53	-	11.78
<b>Retained Earnings</b>						
Opening Balance	(1,30,835.26)		(99,171.93)		(99,171.93)	
Transfer	-		(49.97)		-	
Adjustment on dilution of Control	40,371.81		-		-	
Add:- Profit(loss) for the year as per profit or loss statement	(43,241.39)	(1,33,704.85)	(31,613.36)	(1,30,835.26)	-	(99,171.93)
<b>Foreign Currency Translation Reserve</b>						
Opening Balance	974.10		1,571.79		1,571.79	
Additions during the year	-	974.10	(597.69)	974.10	-	1,571.79
<b>Other Comprehensive Income</b>						
Opening Balance	(215.03)		-		-	
Add: Movement During the year (net)	(7,581.45)	(7,796.48)	(215.03)	(215.03)	-	-
		<b>2,17,165.44</b>		<b>2,27,616.48</b>		<b>2,60,015.28</b>

Capital Reserve: Created pursuant to amalgamation of the Company as per order of High Court Mumbai in the financial year 2011-2012. The same can be utilised as per provision of the Act.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Securities Premium Account: This reserve is created to record premium on issue of shares. The same can be utilised in accordance with the provision of the Act.

Other Reserves: Other Reserve was created pursuant to first time adoption of Ind-AS as at April 01, 2016, are not available for distribution as dividend.

**Note 16****Long Term Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Secured Loans</b>			
<b>Rupee Term Loans from:</b>			
Banks	38,145.10	42,632.42	41,717.51
Financial Institutions	66,170.00	66,170.00	59,460.00
Body Corporates	23,021.38	13,680.00	18,340.00
<b>Vehicle Loans</b>	15.44	32.68	49.17
<b>Redeemable Non Convertible Bonds*</b>			
175 Nos.(previous year 175 Nos) 0.01% (PY 3%)Redeemable Non Convertible Bonds of Rs.100 Lacs Each	11,430.73	10,115.68	17,083.33
829 Nos.(previous year 829 Nos) 0.01% (PY 0%)Redeemable Non Convertible Bonds of Rs.100 Lacs Each	47,919.46	80,926.20	77,166.56
275 Nos (previous year 275 no) 14% NCD of Rs 100 Lacs Each	9,087.50	9,267.50	9,487.50
<b>Inter Corporate Deposits from:</b>			
Related Parties	7,970.07	7,053.16	6,241.74
Body Corporates		13,419.88	13,977.16
	<b>2,03,759.68</b>	<b>2,43,297.52</b>	<b>2,43,522.97</b>

\* Accounted on Fair value

**16.1** Term loan from Bank / Financial Institution referred to above and Rs 29,735.15 Lacs included in current maturities of long term debt in Note No. 22 are secured as under:

- i) Term loan from Union Bank of Rs.575.13 Lacs and accrued interest of Rs.99.81 Lacs is outstanding as on 31.03.2018. The bank has declared the said loan as Non Performing Asset (NPA)
- ii) Term loan of Rs.38,731.81 Lacs from Yes Bank is secured by :
  - First and Exclusive charge on the entire movable 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 58,41,726 shares of Company held by others. - Pledge of 1,04,00,000 shares of Company held by Promoters of the Company.
  - 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.3,337.41 Lacs from IDBI Bank is secured by :
  - First mortgage and charge on all immovable and movable properties of the Company (related to erstwhile Horizon Infrastructure Ltd) , both present and future project.
  - 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.

The said term loan and accrued interest of Rs. 16.09 Lacs is outstanding as on 31.03.2018. The bank has declared the said loan as Non Performing Asset (NPA)
- iv) Term loan from Central Bank of Rs.12,846 Lacs and accrued interest of Rs.5,168 Lacs is outstanding as on 31.03.2018. 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 measuring 207.70 acres owned by other body corporate.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

- v) Term Loans of Rs.24,870.00 Lacs by Company, & 41,300.00 Lacs by two subsidiaries, from a Financial Institution is secured by way of pledge of 1,31,90,826 (Previous Year 3,93,90,826) shares of Reliance Naval & Engineering Ltd (formerly Reliance Defence & 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 and Personal Guarantee of two of the Directors of Holding Company
- vi) 0.01% RNCB of Rs.11430.73 Lacs and Rs. 47919.46 Lacs are secured by
- creating pledge ( on First and Exclusive charge basis as well as on sub-subservient / residual charge basis) on SKIL Share holding in various Companies.
  - pledge of some of investment of Company on first charge and some investment of Company on Second charge / residual charge.
  - creating hypothecation (on Subservient/Residual Charge basis) on all SKIL Assets such as land, tangible assets (including all current, fixed and movable assets) and all receivables, cash and bank balances.
- vii) Inter Corporate Deposit of Rs. 78.43 Lacs are secured by way of equitable mortgage of land owned by other Body Corporate.
- viii) During the year Company has partly redeemed 275 No's of NCD by Rs. 64555 Per NCD resulting in reduction of Face Value of Rs. 33.70 Lacs to Rs. 33.05 Lacs per NCD. The same are secured by First Charge on immovable properties of other company, Pledge of 1,17,77,881 Shares of the Company held by Promoters, pledge of 3,85,629 Shares of Montana Infrastructure limited held by others, pledge of 1950 Units of Urban Infra structure Opportunities Fund held by Holding Company, Corporate Guarantee of Holding Company and Personal Guarantee of two of the Directors.

**16.2** Term loan from Bank / Financial Institution and Inter Corporate Deposits referred to above and Rs 1,31,598.17 Lacs included in current maturities of long term debts 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		
2018-19	29,750.90	<b>Secured Loan of Sohar Free Zone LL(JV)</b>	
2019-20	17,098.87	Two to Five	2,145.23
2020-21	56,512.27	After Five years	322.61
2021-22	6,642.27		
2022-23	11,966.09		
2023-24	9,627.77		

**16.3** Vehicles Loans referred to above and Rs.15.75 Lacs included in current maturities of long term debts 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.

**16.4** The company had issued 175 Nos 3% Redeemable Non Convertible Bonds of Rs.100 Lacs each during the year 2011-12 and the terms for the said bonds has been changed by mutual agreement between the parties during the Previous financial year as to 175 Nos. 0.01% Redeemable Non-Convertible Bonds of Rs.100 Lacs each redeemable for a further period of 5 years from the date of maturity and 829 Nos. 0% Redeemable Non Convertible Bonds of Rs.100 Lacs each during the year 2012-13 and the terms for the said bond has been changed during current financial year as to 829 Nos. 0.01% Redeemable Non-Convertible bonds of Rs.100 Lacs each redeemable for a further period of 5 year from the date of maturity.

**16.5** As on March 31st 2018, the Company has overdue of Rs. 25,758.18 Lacs and Rs.6,217.97 Lacs towards principal and interest amount respectively.

**Note 17**

**Other Financial Liabilities**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Loan from Others	8,681.10	-	-
<b>Total</b>	<b>8,681.10</b>	<b>-</b>	<b>-</b>

**Note 18**

**Non Current Provisions**

Particulars	As at	As at	As at
	March 31, 2018	March 31, 2017	April 1, 2016
Provision for Employee Benefits	35.27	23.86	21.27
<b>Total</b>	<b>35.27</b>	<b>23.86</b>	<b>21.27</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Note 19****Deferred Tax (NET)**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	97.75	116.03	-
<b>Tax Expenses (Income) recognised in:</b>			
Disallowance in income tax	(15.19)	(18.28)	116.03
Closing Balance	<b>82.56</b>	<b>97.75</b>	<b>116.03</b>

**19.1 Reconciliation of tax expenses and the accounting profit multiplied by domestic tax rate:**

Since the Company has incurred loss during the year ended March 31, 2018 and previous year, hence no tax is payable for these years as per provisions of Income Tax Act, 1961, the calculation of effective tax rate is not relevant and hence not given.

**Note 20****Short Term Borrowings**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
<b>Short Term Loans from:</b>			
Banks	-	-	5,194.00
Body Corporates	3,300.00	23,021.38	20,229.00
<b>Unsecured Loans from:</b>			
Others	2,502.40	-	-
Related Party	2,830.24	-	390.00
Body Corporates	400.00	4,350.00	3,900.00
<b>Total</b>	<b>9,032.64</b>	<b>27,371.38</b>	<b>29,713.00</b>

20.1 Inter Corporate Deposit of Rs. 3,300 Lacs are secured by way of equitable mortgage of land owned by other Body Corporate.

**Note 21****Trade Payables**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Micro and Small Enterprises			
Others	1,825.57	2,139.06	2,180.91
<b>Total</b>	<b>1,825.57</b>	<b>2,139.06</b>	<b>2,180.91</b>

21.1 All trade payables are non interest bearing and payable or settled within normal operating cycle of the Company.

21.2 Micro and Small Enterprises under the Micro and Small Enterprises Development Act, 2006 have been determined based on the information available with the Company

**Note 22****Other Current Financial Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current Maturities of Long Term Debts	29,750.90	28,244.18	18,446.70
Interest accrued and due on borrowings	15,024.39	22,969.80	15,236.25
Interest accrued but not due on borrowings	2,900.93	2,756.83	2,695.41
Redemption Premium Payable on Redeemable Non Convertible Bonds	36,886.46	35,472.29	27,486.29
<b>Total</b>	<b>84,562.68</b>	<b>89,443.10</b>	<b>63,864.65</b>

NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Note 23**

**Other Current Liabilities**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from related parties	28,738.57	23,872.87	31,155.77
Unpaid Dividend	1.44	2.09	2.87
Statutory Dues	-	-	-
TDS	1,303.64	1,346.24	1,278.63
Provident Fund	0.25	0.38	0.33
Other statutory dues	3,004.54	2,795.22	2,610.61
Other Payables	8,107.75	26,522.69	14,691.17
<b>Total</b>	<b>41,156.19</b>	<b>54,539.49</b>	<b>49,739.38</b>

**Note 24**

**Current Provisions**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
for Employee Benefits	50.15	50.91	57.81
for Wealth Tax (net)	3.60	3.60	3.60
for expenses	3.60	-	-
<b>Total</b>	<b>57.35</b>	<b>54.51</b>	<b>61.41</b>

**Note 25**

**Revenue from Operations**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other Operating Revenue	2,213.00	1,928.15
<b>Total</b>	<b>2,213.00</b>	<b>1,928.15</b>

**Note 26**

**Other Income**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Income	48.08	2,297.16
Profit on Sale of Fixed Assets (net)	-	3.72
Profit on Sale of Investment (net)	25.93	1,017.42
Dividend on Current Investments	0.29	0.97
Miscellaneous Income	-	23.11
Sundry Balances written back	200.00	47.31
<b>Total</b>	<b>274.30</b>	<b>3,389.69</b>

**Note 27**

**Employee Benefits Expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, Wages and Allowances	815.53	890.91
Contribution to Provident and Other Funds	11.04	2.50
Staff Welfare Expenses	0.73	1.15
<b>Total</b>	<b>827.30</b>	<b>894.56</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

## 27.1 Employee Benefits

## a Defined Benefit Plan- Gratuity

The Company has a defined benefit for gratuity. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The Company provides for the liability in its books of accounts based on the actuarial valuation. The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans. The present value of the obligation is determined based on actuarial valuation using Projected Units Credit Method, which recognizes each period of service as giving rise to additional units of employees benefit entitlement and measures each unit separately to buildup the final obligation.

## i) Reconciliation of opening and closing balances of the present value of the defined gratuity benefit obligation.

Particulars	2017-18	2016-17
Defined Benefit Obligation at beginning of the year	69.30	75.18
Current Service Cost	0.91	1.29
Past Service Cost	8.78	-
Current Interest Cost	2.96	3.61
Actuarial (Gain) / Loss	(1.09)	(10.79)
Benefits paid	(2.87)	-
Defined Benefit Obligation at end of the year	77.98	69.30

## ii) Reconciliation of Present Value of Obligation and Fair Value of Plan Assets

Particulars	2017-18	2016-17
Fair Value of Plan Assets at the end of the year	-	-
Present Value of Defined Benefit Obligation at end of the year	77.98	69.30
Liabilities / (Assets) recognised in the Balance Sheet- Current	50.15	50.92
Liabilities / (Assets) recognised in the Balance Sheet- Non Current	27.83	18.38

## iii) Expenses recognised during the year

Particulars	2017-18	2016-17
Current Service Cost	0.91	1.29
Past Service Cost	8.78	-
Interest Cost	2.96	3.61
Expected Return on Plan Assets	-	-
Net Cost Recognised in profit or loss	12.65	4.90
Actuarial (Gain) / Loss recognised in other comprehensive income	(1.09)	(10.79)

## iv) Assumptions used to determine the defined benefit obligations

Particulars	2017-18	2016-17
Mortality Table (LIC)	Indian Assured lives Mortality (2006-08)	
Discount Rate (p.a.)	7.70%	6.75%
Retirement age	60 Years	60 Years
Expected Rate of increase in Salary (p.a.)	7.00%	7.00%

The estimates of rate of increase in salary are 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.

## v) Sensitivity Analysis:

Particulars	Changes in assumptions		Effect on Gratuity Obligation Increase/(Decrease)	
	2017-18	2016-17	2017-18	2016-17
Discount Rate	0.50%	0.50%	5.06	5.13
Salary Growth Rate	0.50%	0.50%	5.57	4.95

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

The above sensitivity analysis is based on an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. In presenting the above sensitivity analysis, the present value of defined obligation has been calculated using the projected unit credit method at the end of reporting period, which is the same as that applied in calculating the defined obligation liability recognized in the Balance Sheet.

**vi) Risk Exposure :**

- 1 Investment Risk: The Present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of reporting period on government bonds
- 2 Interest Risk: A decrease in the bond interest rate will increase the plan liability: however, this will be partially offset by an increase in the return on the plan debt investment.
- 3 Liquidity Risk: The present value of the defined plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability
- 4 Salary Risk: The present value of the defined plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

**vii) Details of Asset-Liability Matching Strategy :-** Gratuity benefits liabilities of the company are ununded. There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

**viii) The expected payments towards the gratuity in future years :**

Particulars	2017-18	2016-17
with in one year	50.15	50.92
1-5 years	22.76	15.04
More than 5 years	5.06	3.35

The average duration of the defined benefit plan obligation as at March 31, 2018 is 5.89 years (March 31, 2017: Nil)

**Note 28**

**Finance Costs**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest Expenses	20,574.11	13,523.25
Redemption Premium	1,442.58	8,015.41
Other Borrowing Cost	60.46	-
<b>Total</b>	<b>22,077.15</b>	<b>21,538.66</b>

**Note 29**

**Other Expenses**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Advertisement & Business Promotion Expenses	4.44	52.50
Bank Charges & Commission	0.27	1.94
Rent	4.77	158.39
Rates and Taxes	6.54	7.09
Printing and Stationery	1.41	7.18
Postage, Courier & Communication Expenses	11.09	16.63
Repair and Maintenance - Other	22.10	15.53
Manpower & Security Charges	3.17	6.10
Travelling, Conveyance & Vehicle Expenses	29.52	45.58
Legal and Professional Charges	417.95	81.76
Loss on Sale of Investment	6,344.30	-
Administrative, Office Expenses & Other expenses	56.18	691.78
Payment to Auditors (Refer Note No.29.1)	24.78	34.20

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Other Miscellaneous expenses	49.46	4.57
Sitting Fees to Directors	9.89	9.36
Insurance Charges	1.05	1.58
Sundry Balance Written off (Net)	-	445.13
Interest on TDS & Service Tax	3.18	229.79
Penalty on Mvat	137.86	-
<b>Total</b>	<b>7,127.96</b>	<b>1,809.11</b>

**29.1 Payment to Auditors includes:**

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Audit Fees	20.65	23.51
Tax Audit Fees	2.95	2.50
Other Matters	1.18	8.19
<b>Total</b>	<b>24.78</b>	<b>34.20</b>

**Note 30****Earnings Per Share (Basic and Diluted)**

Particulars	2017-18	2016-17
Loss attributable to the Equity Shareholders	(50,822.84)	(31,828.39)
Amount available for calculation of Basic and Diluted EPS (a)	(50,822.84)	(31,828.39)
Weighted Average No. of Equity Shares outstanding for Basic and Diluted EPS (b)	21,65,71,232	21,65,71,232
Basic and Diluted Earnings per share of Rs. 10/- each (in Rs.) (a) / (b)	(23.47)	(14.70)

30.1 Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, The Company has adopted March 31, 2018 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and April 1, 2016 as transition date for preparation of financial statement. Accordingly Statement of profit and loss for the financial year 2016-17 has been restated. The effects on basic and diluted EPS on adoption of Ind-AS from those reported as per previous GAAP are as under:

Particulars	As reported as per Previous GAAP	As revised as per Ind-AS
Profit/(Loss) attributable to the Equity Shareholders	(31,826.43)	(31,828.39)
Basic Earnings per share of Rs. 10/- each (in Rs.)	(14.70)	(14.70)
Diluted Earnings per share of Rs. 10/- each (in Rs.)	(14.70)	(14.70)

**Note 31****Contingent Liabilities and Commitments****31.1 Contingent Liabilities**

(No Cash Outflow is expected except as stated otherwise and not likely to have any material impact on financial position of the Company)

Sr. No.	Particulars	MARCH 31, 2018	MARCH 31, 2017
a)	Corporate Guarantee (Given to Banks, Financial Institutions and Body Corporates for credit facilities taken by subsidiary companies & Reliance ADAG Group to the extent such facilities outstanding)	79,800.00	14,69,628.00
b)	Demands not acknowledged as Debts (net)		
i)	Income Tax Majorly the tax demand due to dis allowances under the Income tax Act	6,210.00	3,002.11
ii)	Suits filed against Company not acknowledge as debt	2,126.49	2,126.49

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

Note:

During the year equity shares of the Reliance Naval and Engineering Limited (RNEL) held by the Company which were pledged as security to the CDR lenders of RNEL have been invoked by the lenders along with the Corporate Guarantee given by the Company. The Company have filed a suit in the Commercial court against the lenders of RNEL for enforcing/invoking the securities offered and Corporate Guarantee. As the matter is under subjudice, no accounting effect has been given in the Financial Statements for Guarantees invoked of Rs. 12,87,028 Lacs issued in favour of RNEL and its subsidiaries as at March 31, 2018.

**31.2 Commitments**

Sr. Particulars No.	MARCH 31, 2018	MARCH 31, 2017
a) Other Commitments (for investment in the Associates and Joint Venture)	-	4.00

**Note 32**

**Fair Value Measurements**

The fair value of the financial assets and liabilities are included at the amount that would be received on sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments that have quoted price and financial instruments like Mutual Funds for which NAV is published by the Mutual Fund Operator. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and Mutual Fund are valued using the Closing NAV.

**Level 2:** The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value and instruments are observable, the instrument is included in level 2. Instruments in the level 2 category for the company include forward exchange contract derivatives

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in this level. Instruments in level 3 category for the Company include unquoted equity shares and FCCDs, unquoted units of mutual funds and unquoted units of venture capital funds.

**a) Financial Instrument by Category**

**Financial Assets**

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost	FVTPL	FVOCI	Amortised Cost
Non Current Investments in Equity Instrument		21,970.74			91,858.79			1,17,304.51	
Current Investments in Equity Instrument	0.03			146.68			148.68		
Current Investments in Units of Mutual Fund	168.42			470.64			1,006.51		
Trade Receivables			669.76			689.85			733.89
Cash and Cash Equivalents			3,080.29			1,532.20			2,683.82
Other Bank Balances			214.55			1,915.69			362.13
Other Non Current Financials Assets			22,879.95			4,718.89			4,771.52
Other Current Financials Assets			1,17,553.30			1,05,697.84			1,00,520.75
	168.44	21,970.74	1,44,397.85	617.32	91,858.79	1,14,554.47	1,155.19	1,17,304.51	1,09,072.11

The carrying amount of Financial Assets carried at amortised cost is reasonably approximate to its fair value.

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

**Financial Liabilities**

The Liability in case of Redeemable Non Convertible Bonds and Long Term Inter Corporate Deposit from related parties are initially recognised on fair value and the difference between fair value and transaction price is considered as Other Income. Subsequently the liability is measured at amortised cost using the effective interest rate. The impact on this account has been recognised as other income on the transaction date and subsequent impact are recognised as finance cost in the Statement of Profit and Loss.

The carrying amount of all other Financial Liabilities is reasonably approximate to its fair value. The fair values disclosed above are based on discounted cash flows using current borrowing rate. These are classified at level 2 fair values in the fair value hierarchy due to the use of observable inputs.

During the years mentioned above, there have been no transfers amongst the levels of the hierarchy.

**b) Valuation process**

The Company evaluates the fair value of the financial assets and financial liabilities on periodic basis using the best and most relevant data available. Also the Company internally evaluates the valuation process periodically

**c) Fair value hierarchy**

Particulars	As at March 31, 2018			As at March 31, 2017			As at April 01, 2016		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Non Current Investments in Equity Instrument	6,836.24		15,134.50	76,649.49		15,209.30	1,02,019.38		15,285.13
Current Investments in Equity Instrument	0.03			146.68			148.68		
Current Investments in Units of Mutual Fund	6.55	161.87		6.26	464.37		5.89	1,000.62	
	<u>6,842.82</u>	<u>161.87</u>	<u>15,134.50</u>	<u>76,802.43</u>	<u>464.37</u>	<u>15,209.30</u>	<u>1,02,173.95</u>	<u>1,000.62</u>	<u>15,285.13</u>

**d) Discription of the inputs used in the fair value measurement:**

Particulars	As at March 2018	Valuation Techniques	Input Used	Sensitivity
Financial Assets designated at fair value through profit or loss			Book Value	Financial Statement
Unlisted Equity Instrument	15,134.50			No Material Impact on Fair Valuation

**e) Reconciliation of fair value measurement categorised with in level 3 of the fair value hierarchy:**

Fair Value as at April 1, 2016	15,285.13
Loss on Fair Valuation through profit or loss	(75.83)
Fair Value as at March 31, 2017	15,209.30
Loss on Fair Valuation through profit or loss	74.20
Sale of Shares	(149.00)
Fair Value as at March 31, 2018	<u>15,134.50</u>

**Note 33****Financial Risk Management Objective and Policies**

The Company's principal financial liabilities comprise loans & borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and projects under implementation. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors, reviews and agrees policies for managing each of these risks, which are summarised below.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.



**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

**I Interest rate exposure profile appended in the table below**

<b>Borrowings</b>	<b>MARCH 31, 2018</b>	<b>MARCH 31, 2017</b>
Floating Rate Loans	1,04,315.10	1,37,079.28
Fixed Rate Loans	1,38,228.12	1,61,833.81
<b>Total</b>	<b>2,42,543.22</b>	<b>2,98,913.09</b>

**II Interest Risk Sensitivity**

With all other variable held constant the following table reflects the impact of borrowing cost on floating rate portion of total Debt

<b>Risk Exposure</b>	<b>As at March 31, 2018</b>		<b>As at March 31, 2017</b>	
Effect on profit/ (loss) before tax due to following change in interest rates	20 basis Points Increase	20 basis Points Decrease	20 basis Points Increase	20 basis Points Decrease
On Floating Rate Loans	208.63	208.63	274.16	274.16

**Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure in Foreign Currency is not material

**Credit risk**

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

**Trade receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

**Liquidity risk**

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

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of Bank Overdrafts, Letter of Credit and Working Capital Limits.

The below table summarizes the maturity profile of the company's financial liability based on contractual undiscounted cash flows:

<b>Liquidity Profile</b>	<b>Less than 1 year</b>	<b>1 - 3 Year</b>	<b>3 - 5 Year</b>	<b>More than 5 Year</b>	<b>Total</b>
<b>As at March 31, 2018</b>					
Non Current Borrowings	29,750.90	82,714.08	18,608.36	9,627.77	1,40,701.11
Current Borrowings	9,032.64	-	-	-	9,032.64
Other Non Current financial liabilities		8,681.10	76,407.76	-	85,088.86
Other Current financial liabilities	54,811.76				54,811.76
Trade Payables	1,825.57	-	-	-	1,825.57
<b>Total</b>	<b>95,420.87</b>	<b>91,395.18</b>	<b>95,016.12</b>	<b>9,627.77</b>	<b>2,91,459.94</b>

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

Liquidity Profile	Less than 1 year	1 - 3 Year	3 - 5 Year	More than 5 Year	Total
<b>As at March 31, 2017</b>					
Non Current Borrowings	28,244.18	29,957.72	74,515.97	18,008.73	1,50,726.60
Current Borrowings	27,371.38	-	-	-	27,371.38
Other Non Current financial liabilities	-	13,419.89	1,07,362.54	-	1,20,782.43
Other Current financial liabilities	61,198.92	-	-	-	61,198.92
Trade Payables	2,139.06	-	-	-	2,139.06
<b>Total</b>	<b>1,18,953.54</b>	<b>43,377.61</b>	<b>1,81,878.51</b>	<b>18,008.73</b>	<b>3,62,218.39</b>

**Note 34****Capital Management**

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals, long term borrowings and short term borrowings. The Company monitors capital using a gearing ratio.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

**Capital Gearing Ratio***Rs in lacs*

Particulars	March 31, 2018	March 31, 2017
Equity	21,657.12	21,657.12
Other Equity	2,17,165.44	2,27,616.48
Total (A)	2,38,822.57	2,49,273.60
<b>Borrowing</b>		
Non-Current	2,33,510.58	2,71,541.71
Current	9,032.64	27,371.38
Total (B)	2,42,543.22	2,98,913.09
<b>Capital Gearing Ratio (B/A)</b>	1.02	1.20

**Note 35****Segment Reporting****Segment information as per Ind AS - 108 on Operating Segment :**

The risk - return profile of the Company's business is determined predominantly by the nature of its products. The Company is engaged in the business of Infrastructure development. Further based on the organisational structure and internal management reporting system, there are no separate reportable segments.

**Note 36****Post Reporting Events**

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation

**Note 37****Related Party Disclosures****a) List of Related parties****1 Associates**

Urban Infrastructure Holding Private Limited

Rosonboronservic (India) Limited

Reliance Naval and Engineering Limited (up to March 16, 2018)

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**2 Joint Ventures**

Sohar Free Zone LLC

**3 Key Managerial Personnel**

Mr. Nikhil P. Gandhi

Mr. Bhavesh P. Gandhi

Mr. U. B. Singh

Mr Shankar Agarwal (w.e.f February 8, 2018)

Mr. Nilesh Mehta

Mr. Shekhar Gandhi

**4 Other Related Parties**

Grevek Investment and Finance Private Limited

Awaita Properties Private Limited

Nikhil P. Gandhi HUF

Bhavesh P. Gandhi HUF

Metropolitan Industries

Reliance Engineering and Defence Services Limited (up to March 16, 2018)

E Complex Private Limited (up to March 16, 2018)

Reliance Marine and Offshore Limited (up to March 16, 2018)

**b) Terms and Conditions of transactions with related parties**

The Transactions with related parties are at arm's length price and in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest have been accounted on market rate except the advances given. This assessment is undertaken at each financial year through examining the financial position of the related party and the market in which the related party operates.

**c) 1 Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Associate Companies**

**c) 2 Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Associate Companies**

**i Investment at the end of the year**

Urban Infrastructure Holdings Pvt. Ltd.

**2017-18**

**2016-17**

317,850.15

317,850.15

Rosoboron Service India Limited

81.00

81.00

**ii Loan Given**

Rosoboronservic India Limited

-

52.50

**iii Loan received back**

Rosoboron Service India Limited

-

2.50

**iv Loan Receivable at the end of the year**

Rosoboron Service India Limited

943.00

943.00

**c) 3 Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Joint Ventures**

**i Investment at the end of the year**

Sohar Free Zone LLC

899.40

899.40

**c) 4 Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Other Related Parties**

**Loans and Advances**

**i Received**

Grevek Investment & Finance Pvt.Ltd.

7,328.85

21,331.74

Awaita Properties Pvt.Ltd.

-

14.15

Metropolitan Industries

-

2.23

## NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Rs. in Lacs)

<b>iii</b>	<b>Repayment</b>		
	Grevek Investment & Finance Pvt.Ltd.	522.29	105.85
	Awaita Properties Pvt.Ltd.	1.03	15.62
	Metropolitan Industries	0.64	-
<b>iv</b>	<b>Balances at the end of year</b>		
	Grevek Investment & Finance Pvt.Ltd.	28,736.98	21,930.42
	Awaita Properties Pvt.Ltd.	-	1.03
	Metropolitan Industries	1.59	2.23
<b>v</b>	<b>Received back</b>		
	Nikhil Gandhi HUF	365.82	25.07
	Bhavesh Gandhi HUF	250.18	140.70
<b>vi</b>	<b>Receivable at the end of the year</b>		
	Nikhil Gandhi HUF	-	365.82
	Bhavesh Gandhi HUF	-	250.18
<b>vii</b>	<b>Deposit Given</b>		
	Awaita Properties Pvt.Ltd.	54.02	
<b>viii</b>	<b>Corporate Guarantee Given</b>		
	Grevek Investments & Finance Pvt.Ltd.	8,500.00	8,500.00
<b>ix</b>	<b>Redeemable Non convertible Bonds at the end of the year</b>		
	Grevek Investments & Finance Pvt.Ltd.	59,350.19	91,041.88
<b>x</b>	<b>Redemption Premium Payable</b>		
	Grevek Investments & Finance Pvt.Ltd.	36,886.46	35,472.29
<b>xi</b>	<b>Inter-Corporate Deposit</b>		
	Grevek Investments & Finance Pvt.Ltd.	7,970.07	7,053.16
<b>xi</b>	<b>Interest Expenses</b>		
	Grevek Investments & Finance Pvt.Ltd.	3.38	263.37
<b>xii</b>	<b>Redemption Premium</b>		
	Grevek Investments & Finance Pvt.Ltd.	1,414.17	7,986.00
<b>c)</b>	<b>5</b>		
	<b>Transactions with related parties for the year ended March 31, 2018 (for the period of relationship exist)- Key Managerial Persons</b>		
	<b>i</b>		
	<b>Managerial Remuneration-Short Term Employee Benefits</b>		
	Mr. Nilesh Mehta	36.00	36.00
	Mr. Shekhar Gandhi	23.83	-
	Mr. U B Singh	19.00	-
	Mr. Shankar Agrawal	20.00	-
	<b>ii</b>		
	<b>Advance Receivable at the end of the year</b>		
	Mr. Nilesh Mehta	0.60	0.60

**d) Details of Loans given, investment made and Guarantee given, covered u/s 186(4) of the Companies Act, 2013**

- i Loan given and investment made are given under the respective head
- ii Corporate Guarantee have been issued on behalf of related parties, details of which are given in related party transactions above
- iii During the year Reliance Naval and Engineering Limited (RNEL) ceased to be an associate company of the Company. The Loan outstanding as on March31, 2018 was Rs. 52,087.56 Lacs. Total interest receivable was Rs. 450.31 Lacs. During the year the Company has not accounted for interest on Loan as the ultimate collection of interest income is not reasonably certain due to ongoing arbitration with the promoters of the RNEL.

**NOTES ON CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Rs. in Lacs)

**Note 38**

**Jointly Controlled Entity**

Name	Country of Incorporation	Ownership interest	
		As at March 31, 2018	As at March 31, 2017
Sohar Free Zone LLC	Sultanate of Oman	27.18%	27.18%
Particulars		As at December 31, 2017	As at December 31, 2016
<b>Assets</b>			
- Long Term Assets		3,344.97	3,622.12
- Current Assets		3,637.57	3,651.77
<b>Liabilities</b>			
- Non Current Liabilities		2,557.83	3,318.50
- Current Liabilities & Provisions		2,313.25	2,014.14
<b>Income</b>		2,236.90	1,947.66
<b>Expenses</b>		1,449.57	1,380.60

**Note 39**

Exceptional items for the year include loss of Rs 46,210.36 Lacs accounted on invocation of investment in equity shares of Reliance Naval and Engineering Limited (RNEL) which were pledged as security for loan obtained by RNEL and fair valuation gain of Rs 30,774.76 Lacs on non current financial liability at initial recognition.

**Note 40**

**First Time Adoption of Ind - AS:**

Pursuant to the Companies (Indian Accounting Standard) Rules, 2015, the Company has adopted March 31, 2018 as reporting date for first time adoption of Indian Accounting Standard (Ind-AS) and consequently April 1, 2016 as the transition date for preparation of financial statements. The financial statements for the year ended March 31, 2018, are the first financials, prepared in accordance with Ind-AS. Upto the Financial year ended March 31, 2017, the Company prepared its financial statements in accordance with previous GAAP, including accounting standards notified under the Companies (Accounting Standard) Rule, 2006. For preparing these financial statements, opening balance sheet was prepared as at April 1, 2016 i.e. the date of transition to Ind-AS. The figures for the previous periods and for the year ended March 31, 2017 have been restated, regrouped and reclassified, wherever required to comply with Ind-AS and Schedule III to the Companies Act, 2013 and to make them comparable.

I The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind-AS Opening Statement of financial position as at April 1, 2016. All explanations should be read in conjunction with the accounting policies of the Company as disclosed in the Notes to the Accounts.

Particulars	Note	April 1, 2016	March 31, 2017
<b>Other Equity as per Previous GAAP</b>		1,56,166.00	1,15,783.16
Adjustments to Other Equity:			
<b>a Through Other Reserve to:</b>			
Non-Current Investments	III (i)	1,03,858.50	1,03,858.50
Non Current Borrowings	III (ii)	11,408.37	11,408.37
Trade Payables	III (iii)	68.98	68.98
Other Current Liabilities	III (iii)	222.04	222.04
Long-Term Loans and Advances	III (iii)	(750.00)	(750.00)
Other Non- Current assets	III (iii)	(16.00)	(16.00)
Current Investments	III (ii)	(2,286.76)	(2,286.76)
Trade Receivables	III (iii)	(5,940.68)	(5,940.68)
Short-Term Loans and Advances	III (iii)	(2,715.17)	(2,715.17)
<b>Sub Total</b>		<b>1,03,849.28</b>	<b>1,03,849.28</b>
<b>b Through Retained Earnings for:</b>			
Adjustment of Loss on Sale of Investment			5,578.44
Finance Cost on Financial Liabilities			2,396.60
Other Expenses			9.00
<b>Sub Total</b>			<b>7,984.04</b>
<b>Total Adjustments</b>		<b>1,03,849.28</b>	<b>1,11,833.32</b>
<b>Other Equity as per Ind AS</b>		<b>2,60,015.28</b>	<b>2,27,616.48</b>

II The following reconciliations and explanatory notes thereto describe the effects of the transition on the Ind-AS on Statement of Profit and Loss for the year ended March 31, 2017. All explanations should be read in conjunction with the accounting policies of the Company as disclosed in the Notes to the Accounts.

Particulars	For the year ended March 31, 2017
<b>Loss as per Previous GAAP</b>	<b>(31,826.43)</b>
Adjustments	
a Finance Cost on Financial Liability	2,396.60
b Adjustment of Loss on Sale of Investment	5,793.47
c Redemption Premium adjusted in profit and loss	(7,986.00)
d Reversal of Preliminary Expenses	9.00
<b>Net Loss as per Ind-AS</b>	<b>(31,613.36)</b>
e Other Comprehensive Income	(215.03)
<b>Loss as per Ind-AS</b>	<b>(31,828.39)</b>

III **Notes to the reconciliation**

i. **Investment**

The Company has measured all of its Investment in equity instruments of Subsidiaries, Associates and Joint Ventures at fair value at the date of transition to Ind - AS. The Company has elected these value as deemed cost at the transition date. Further all other investment have been measured at fair value. Consequently, profit/loss on investment for the financial year 2016 - 17 has been recomputed.

- ii Non Current borrowings are recognised on fair value at the date of transition and the difference between fair value and transaction price is credited to Other Reserve.
- iii Consequent to the adoption of Ind-AS, the Company undertook a detailed evaluation of its Non-current assets, trade receivables, other current assets and current liabilities and provisions under Indian GAAP as at the date of transition being April 1, 2016. These assets and liabilities were assessed for future economic benefits expected to flow to the Company or collection or payment expected over the period of time in accordance with Ind-AS principals. Ind-AS requires measurement of provision for bad and doubtful debts to be determined with reference to the expected credit loss model. Such assets and liabilities, based on evaluation, have been measured at the present value discounted at effective interest rate and adjusted to other reserve as at transition date. Accordingly, the Company has made an additional provision on the transition date.
- iv Previous GAAP required recognition of deferred tax using the income statement approach; however, Ind-AS requires the Company to recognise deferred tax using the balance sheet approach. The effect on account of application of Ind-AS has been duly accounted.
- v In the preparation of these Ind-AS Financial Statements, the Company has made several presentation differences between previous GAAP and Ind-AS. These differences have no impact on reported profit or total equity. Accordingly, some assets and liabilities have been reclassified into another line item under Ind-AS at the date of transition. Further, in these Financial Statements, some line items are described differently under Ind-AS compared to previous GAAP, although the assets and liabilities included in these line items are unaffected.
- vi Under previous GAAP, the Company has not presented Other Comprehensive Income (OCI) separately. Hence, the Statement of Profit and Loss under previous GAAP has been reconciled with profit and loss statement and total other comprehensive income as per Ind - AS.

**AS PER OUR REPORT OF EVEN DATE**

**For Kailash Chand Jain & Co.**  
**Chartered Accountants**  
**Firm Reg. No: 112318W**

**Saurabh Chouhan**  
**Partner**  
**Membership No. 167453**

**Date : 28-05-2018**  
**Place : Mumbai**

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

**NIKHIL GANDHI**  
**Chairman**  
**Din: 00030560**

**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/associate companies/joint ventures

**PART "A" SUBSIDIARIES**

**Summary of Financial information of Subsidiary Companies for the year ended March 31, 2018**

Sr. No.	Name of Subsidiary Company	Reporting Currency	Share Capital (paid up)	Reserve & Surplus	Total Assets	Total Liabilities	Details of Investment (Except in Subsidiary)	Turnover	Profit/ (Loss) Before Tax	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	Country
1	SKIL-Himachal Infrastructure & Tourism Limited	INR	5,000.00	(65.58)	10,414.19	10,414.19	-	-	(9.75)	-	(9.75)	-	India
2	SKIL Shipyard Holdings Private Limited	INR	5.00	(22,518.60)	21,138.46	21,138.46	-	-	(1,431.31)	-	(1,431.31)	-	India
3	SKIL (Singapore) Pte Limited	INR	50.25	(116.66)	10,747.83	10,747.83	-	-	(1.49)	-	(1.49)	-	Singapore
		SGD MN	0.16	(0.25)	24.43	24.43	-	-	(0.00)	-	(0.00)	-	
4	SKIL Advanced Systems Private Limited	INR	5.00	(19.01)	452.45	452.45	-	-	(0.46)	-	(0.46)	-	India
5	Gujarat-Dwarka Portwest Limited (Earlier Known as Gujarat Positra Port Company Limited)	INR	9,556.60	1,609.22	72,222.43	72,222.43	-	-	(2.45)	-	(2.45)	-	India
6	Metrotech Technology Park Private limited	INR	20.00	(45.99)	3,051.19	3,051.19	-	-	(16.00)	-	(16.00)	-	India
7	Chiplun FTWZ Private limited	INR	9,000.00	(119.40)	12,017.04	12,017.04	-	-	(2.82)	-	(2.82)	-	India

**PART "B" : ASSOCIATES AND JOINT VENTURES**

Sr No.	Name of associates/Joint Venture	Latest Audited Balance sheet	Shares of Associates/Joint Ventures held by the company on the year end				Description of how there is significant influence	Networth attributable to Shareholding as per latest audited Balance Sheet	Profit/ Loss for the year	
			No.	Amount of Investment in Associates/Joint Venture	Extent of Holding%				Considered in Consolidation	Not considered in Consolidated
	<b>Associates:</b>									
	<b>Joint Venture:</b>									
1	Sohar Free Zone LLC	December 31, 2017	7,55,245	899.40	27.18%	Note A	1,818.80	787.33	2,109.39	

**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

**35<sup>th</sup> Annual General Meeting – Friday, September 28, 2018**

**ATTENDANCE SLIP**

Name:.....

DP ID No. / Client ID No.: .....(for investors holding shares in electronic form)

Ledger Folio No.:.....

No. of Shares:.....

I hereby record my presence at the 35<sup>th</sup> Annual General Meeting of the Members of the Company held on Friday, September 28, 2018 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

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

**SKIL Infrastructure Limited**

CIN: L36911MH1983PLC178299;

Registered Office: SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai – 400 023;

Tel: +91-22-6619000; Fax: +91-22-22696023; E-mail: contact@skilgroup.co.in; Website: www.skilgroup.co.in

**35<sup>th</sup> Annual General Meeting – Friday, September 28, 2018**

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 35<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, September 28, 2018 at 1430 Hours at Babasaheb Dahanukar Hall, Oricon House, 12, K. Dubhash Marg, Kala Ghoda, Fort, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*		
		For	Against	Abstain
1.	Ordinary Resolution for Audited Financial Statements (Including the Consolidated Financial Statements) of the Company for the financial year ended March 31, 2018 and the Reports of the Board of Directors and Auditors thereon.			
2.	Ordinary Resolution for re-appointment of Mr. Nikhil Gandhi (DIN 00030560), who retires by rotation and being eligible, offers himself for re-appointment.			
3.	Ordinary Resolution under section 139 of the Companies Act, 2013, modification of terms of appointment of M/s. Kailash Chand Jain & Co. as the Statutory Auditors of the Company.			
4.	Special resolution under Regulation 17 (1A), for the continuation of Mr. J. Alexander (DIN: 00485766), who has crossed the age of 75 years, as an Independent Director of the Company			
5.	Special resolution under Regulation 17 (1A), for the continuation of Mr. V. Ramanan (DIN: 02754562), who has crossed the age of 75 years, as an Independent Director of the Company			
6.	Ordinary Resolution for appointment of Mr. Rakesh Mohan as Independent Director of the Company			
7.	Ordinary Resolution for appointment of Mr. Shankar Aggarwal as Director of the Company			
8.	Special resolution for appointment of Mr. Shankar Aggarwal as the Whole Time Director of the Company			

Signed this ..... day of ....., 2018

Signature of Shareholder : .....

Signature of Proxy holder(s) : .....

Affix  
Revenue  
Stamp

**Note:**

- 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.
- For the resolutions, explanatory statements and Notes please refer to the Notice of 35<sup>th</sup> Annual General Meeting.
- 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.



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.