

KAILASH CHAND JAIN & CO. (Regd.)

CHARTERED ACCOUNTANTS

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Independent Auditor's Report

To the Board of Directors of Skil Infrastructure Limited

Report on the audit of the Standalone Annual Financial Results

Qualified Opinion

We have audited the accompanying standalone annual financial result of Skil Infrastructure Limited ('the company') for the year ended March 31, 2022, attached herewith, being submitted by the Company pursuant to the requirements of regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation').

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone annual financial results, *except for the effects/ possible effects of the matters stated in Basis of Qualified Opinion below:*

- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regards; and
- gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2022.

Basis for Qualified Opinion

- Attention is drawn towards the Note No. 3 in case of Reliance Commercial Finance Ltd. stated below the standalone financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 410.66 lakhs and Rs. 1665.45 lakhs respectively on the loan taken from Reliance Commercial Finance Ltd. Had this been accounted, the Loss and the Liabilities would have increased to the extent of the amount specified above.
- Attention is drawn towards the Note No. 4 in case of disputed borrowings with certain lenders including IL&FS stated below the standalone financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 1306.48 lakhs and Rs. 5298.50 lakhs respectively. Had this been accounted, the Loss and the Liabilities would have increased to the extent of the amount specified above.
- The impact of the penal interest on the borrowings mentioned in point (a) & (b) above is not ascertainable by the company due to lack of confirmation from lenders and cannot be commented upon.

- d. The outstanding balances of borrowing of the following banks are subject to confirmation:

| Sr. No. | Name of Lender | (Amt. in lakhs) | |
|---------|----------------|-----------------|----------|
| | | Principal | Interest |
| 1 | IDBI Bank | 3,337.00 | 3,857.35 |
| 2 | Union Bank | 564.14 | 432.56 |
| 3 | Yes bank | 37,058.95 | 8,998.76 |

- e. The impact relating to point (a) to (d) mentioned above with respect to compliance of tax laws which may arise out of such accounting adjustments, if any, is not ascertainable and cannot be commented upon.

Emphasis of Matters

- a. We draw attention to the Note No. 8 stated below the standalone financial results with respect to continuous losses, reduced net worth and default on its repayment of borrowings and preparation of the financial statements on going concern assumption, based on the reasons and assumptions stated in the aforesaid note. The company's ability to continue as a going concern is dependent on generation of expected cash flows to be able to meet its obligations as and when they arise.
- b. Attention is drawn towards the Note No. 5 stated below the standalone financial results with respect to short payment of the agreed dues as per the settlement agreement.

Our opinion is not modified in respect of the same.

We conducted our audit in accordance with the Standard on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirement that are relevant to our audit of financial statement under the provision of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified opinion on the standalone annual financial results.

Management's and Board of Director's Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulation. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.



In preparing the standalone annual financial results, the Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

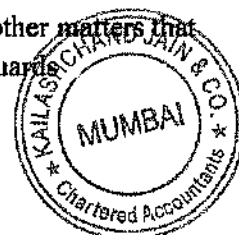
Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Other Matters

The standalone annual financial results include the results for the quarter ended 31 March 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



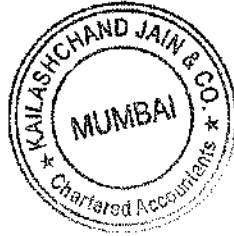
**Saurabh Chouhan
Partner**

Membership No. 167453

UDIN: 22167453AJYACY5846

Place: Mumbai

Date: May 30, 2022



SKIL INFRASTRUCTURE LIMITED

Regd. Office : SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai - 400 023

CIN: L36911MH1983PLC178299, E-mail: contact@skilgroup.co.in, Website: www.skilgroup.co.in

STATEMENT OF AUDITED STANDLONE FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022
(Rs in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended | |
|----------|---|-------------------|-------------------|--------------------|--------------------|--------------------|
| | | March 31, 2022 | December 31, 2021 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| 1 | Revenue | | | | | |
| (a) | Revenue from Operations | - | - | - | - | - |
| (b) | Other Income | 1,060.58 | 26.07 | 415.19 | 6,585.77 | 4,047.08 |
| | Total Revenue | 1,060.58 | 26.07 | 415.19 | 6,585.77 | 4,047.08 |
| 2 | Expenses | | | | | |
| (a) | Cost of Materials Consumed | - | - | - | - | - |
| (b) | Employee Benefits Expenses | 27.68 | 31.64 | 33.86 | 113.96 | 119.89 |
| (c) | Finance Costs | 1,736.03 | 1,721.93 | 6,546.09 | 20,624.98 | 19,134.64 |
| (d) | Depreciation and Amortisation Expenses | 0.79 | 0.87 | 0.88 | 3.40 | 12.50 |
| (e) | Loss on Sale of Investment | 198.57 | - | - | 1,907.23 | - |
| (f) | Other Expenses | 82.27 | 21.67 | 126.64 | 170.44 | 244.86 |
| (g) | Preliminary & Preoperative Expenses Written off | - | - | 27,620.07 | - | 27,620.07 |
| (h) | Loss on Sale of Fixed Assets | - | - | 12,270.39 | - | 12,270.39 |
| | Total Expenses | 2,045.35 | 1,776.10 | 46,597.93 | 22,820.01 | 59,402.37 |
| 3 | Profit/(Loss) from Operations before Exceptional Items (1-2) | (984.77) | (1,750.03) | (46,182.74) | (16,234.24) | (55,355.29) |
| 4 | Exceptional Items | - | - | - | - | 4,994.64 |
| 5 | Profit / (Loss) Before Exceptional Items (3-4-5) | (984.77) | (1,750.03) | (46,182.74) | (16,234.24) | (50,360.65) |
| 6 | Tax Expenses | - | - | - | 160.20 | (241.09) |
| 7 | Profit / (Loss) for the period from continued operation | (984.77) | (1,750.03) | (46,182.74) | (16,074.04) | (50,601.74) |
| 8 | Other Comprehensive Income | | | | | |
| | Items that will be reclassified to profit or loss | | | | | |
| (i) | Mark to Market gain/(loss) on Non Current Investment | (827.81) | - | - | (827.81) | - |
| (ii) | F V on Current Investment | 6.90 | - | - | 6.90 | - |
| (iii) | Income Tax effect | - | - | - | - | - |
| | Items that will not be reclassified to profit or loss | | | | | |
| (i) | Actuarial gains/(losses) on defined benefit plans | (4.09) | - | 1.99 | (4.09) | 1.99 |
| (ii) | Income Tax effect | - | - | - | - | - |
| | Total Other Comprehensive Income for the period | (825.00) | - | 1.99 | (825.00) | 1.99 |
| 9 | Total Comprehensive Income for the period (7+8) | (1,809.77) | (1,750.03) | (46,180.75) | (16,899.04) | (50,599.75) |
| 10 | Paid-up Equity Share Capital (Face Value of Rs. 10 Each) | 21,657.12 | 21,657.12 | 21,657.12 | 21,657.12 | 21,657.12 |
| 11 | Other Equity (Reserves and Surplus) | - | - | - | - | 29,865.08 |
| 12 | Earnings Per Share (EPS) (* Not Annualised) | | | | | |
| (a) | Basic EPS (RS.) | (0.84) | (0.81) | (21.32) | (7.80) | (23.36) |
| (b) | Diluted EPS (RS.) | (0.84) | (0.81) | (21.32) | (7.80) | (23.36) |

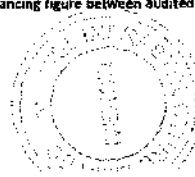


| STATEMENT OF ASSETS AND LIABILITIES | | (Rs in lacs) | |
|-------------------------------------|---------------------------------|---------------------------------|--|
| Particulars | Standalone | | |
| | As at March 31, 2022 Audited | As at March 31, 2021 Audited | |
| I ASSETS | | | |
| (1) Non Current Assets | | | |
| Property, Plant and Equipment | 2.41 | 6.96 | |
| Intangible Assets | - | - | |
| Capital Work in Progress | - | - | |
| | 2.41 | 5.96 | |
| Financial Assets | | | |
| Investments | 3,16,328.08 | 3,20,485.31 | |
| Other Financial Assets | 55.26 | 55.26 | |
| | 3,16,383.34 | 3,20,540.57 | |
| Other Non Current Assets | - | 182.06 | |
| | - | 182.06 | |
| (2) Current Assets | | | |
| Financial Assets | | | |
| Investments | 137.05 | 276.24 | |
| Trade Receivables | - | - | |
| Cash and Cash Equivalents | 4.29 | 8.12 | |
| Other Bank Balances | - | - | |
| Other Current Financial Assets | 1,811.60 | 1,827.49 | |
| | 1,952.94 | 2,111.85 | |
| Other Current Assets | 0.67 | 2.25 | |
| | 0.67 | 2.25 | |
| Total Assets | 3,20,338.36 | 3,22,842.70 | |
| II EQUITY AND LIABILITIES | | | |
| Equity | | | |
| Equity Share Capital | 21,657.12 | 21,657.12 | |
| Other Equity | 12,966.03 | 29,865.09 | |
| | 34,623.15 | 51,522.21 | |
| Liabilities | | | |
| Non Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | - | 69,142.85 | |
| Other Financial Liabilities | - | - | |
| | - | 69,142.85 | |
| Provisions | 25.67 | 40.00 | |
| Deferred Tax Liabilities (net) | - | - | |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 1,81,692.33 | 1,04,482.52 | |
| Trade Payable | - | - | |
| Other Current Financial Liabilities | 58,953.65 | 52,302.53 | |
| | 2,40,645.98 | 1,56,785.05 | |
| Other Current Liabilities | 44,966.21 | 45,298.58 | |
| Provisions | 78.15 | 54.01 | |
| | 45,044.36 | 45,352.59 | |
| TOTAL EQUITY AND LIABILITIES | 3,20,338.36 | 3,22,842.70 | |

Notes :

- The Company has only one Business Segment, disclosure under Ind AS 108 on "Operating Segment" as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in Section 133 of the Companies Act, 2013.
- After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 30th May 2022.
- An amount of Rs. 9,802 lakhs shown as received from Reliance Commercial Finance Ltd., a part of ADAG Group Company, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, are not payable till such time a sum of Rs. 50,653.15 lakhs shown as receivable / recoverable under the head "Other Advances", from ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani are received and the obligations in accordance with the Purchase Agreement dated 4th March, 2015 signed between the Company, SKIL Shipyard Holdings Pvt. Ltd. & others with the ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, viz, Reliance Infrastructure Limited and Reliance Defence Systems Pvt. Ltd. are fulfilled by ADAG Group Companies. As a part of composite transaction emanating from and in connection with the sale of Pipavav Defence project to ADAG Group in accordance with the said Purchase Agreement and also based on the facts, circumstances and documents available on record, in view of above, the Company do not acknowledge or accept the liability of Reliance Commercial Finance Ltd.
- On account of on-going disputes with various lenders including IL&FS considering the facts, circumstances, documents and particular nature of transactions, the Company and has not booked any interest on amount of Rs. 25,148.43 Lakhs.
- The Company was to pay Rs. 282.00 Lakhs in FY 2023-22 as per its settlement agreement with a lender out of which Rs. 90.00 Lakhs have been paid in FY 2021-22. The Company is in negotiations with the lender to revise the payment schedule for balance dues.
- SKIL Himachal Infrastructure & Tourism Ltd and Metrotech Technology Park Pvt. Ltd. have ceased to be the subsidiaries on account of the Company's investment (in the said subsidiaries) in the form of their equity shares invoked by a lender. The Company has now reversed/written back the Provision for impairment made on the said investment earlier and has shown this reversal/writing back under the head "Other Income".
- During the year, Company has written off its investment / advances in Donji Polo Petrochemicals Limited and SKIL Strategic Deterrence Systems Pvt. Ltd on account of both these companies were struck off by ROC u/s 560 of the Companies Act.
- On issues related to the Company's going concern status such as continuous losses reduced net worth and default on its repayments of borrowings, the company is in discussion with its lender of settlement of its dues/borrowings. The Company is also awaiting verdict of its various legal disputes related to its financial claims on various entities which, if announced in the Company's favour, will result in significant cash flow into the Company. This, along with the proceeds from the Company's divestment/monetisation which is being actively pursued, will help the Company in tiding over its current financial situation and to fulfil its financial obligations without any difficulty. Accordingly the financial statement has been prepared on a going concern basis.
- The figures for the previous period/year have been, regrouped and reclassified to make them comparable with those of current period.
- The statements includes the results for the Quarter ended 31st March, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto third quarter of the current financial year.

Place :- Mumbai
Date :- May 30, 2022



Bhavesh Gandhi
Director
DIN : 00030623

SKIL Infrastructure Limited

Standalone Cash Flow Statement for year ended 31st March, 2022

(Amt. in Lakhs)

| Sr. No. | Particulars | For the year ended March 31, 2022 | For the year ended March 31, 2021 |
|----------|---|--------------------------------------|--------------------------------------|
| A | Cash Flow from Operating Activities | | |
| | Net Loss before Tax | (16,234.25) | (50,360.63) |
| | Adjustments for :- | | |
| | Depreciation and Amortisation Expenses | 3.40 | 12.50 |
| | Dividend on Current Investments | (0.28) | (0.46) |
| | Gain/Loss on Sale of Investment | 1,907.23 | (3,618.65) |
| | Finance Costs | 20,624.98 | 19,134.64 |
| | Actuarial gains/(losses) on defined benefit plans | (4.09) | 1.99 |
| | Balances Written off/back (net) | - | - |
| | Bad Debts | - | - |
| | Sundry Balances W/back | (81.89) | (13.24) |
| | Loss on sale/discard of Property, plant and equipments | (0.61) | 39,890.47 |
| | Exceptional Item | - | (4,994.64) |
| | Reversal of Expected Credit Loss | (6,502.83) | - |
| | Investment written off | 42.85 | - |
| | Fair Value on Current Investment | - | 52.96 |
| | Operating profit/(loss) before working capital changes | (245.49) | 104.94 |
| | Adjusted for | | |
| | Trade and Other Receivables | 1.58 | 0.46 |
| | Trade and Other Payables | 222.70 | (1,519.42) |
| | Cash Used in Operations | (21.21) | (1,414.02) |
| | Direct Taxes (Paid) / Refund | 160.20 | 1,539.50 |
| | Net Cash Used in Operating Activities | 138.99 | 125.48 |
| B | Cash Flow from Investing Activities | | |
| | Purchase of Property, plant and equipment and Capital Work in Progress | - | (0.68) |
| | Sale of Property, plant and equipment including refund of Capital advance | 0.77 | 9,704.77 |
| | Advance to Related Parties (Net) | 58.01 | (845.13) |
| | Loan to Others | (42.12) | 528.43 |
| | Redemption of Current Investment | 146.37 | 13.75 |
| | Sale of Investments in Joint Venture/Subsidiary/Associates | 5,600.20 | 4,979.31 |
| | Dividend Received on Current Investments | - | - |
| | Net Cash (used in)/Generated from Investing Activities | 5,763.23 | 14,380.45 |
| C | Cash Flow from Financing Activities | | |
| | Proceeds from Long Term Borrowings | - | - |
| | Repayment of Long Term Borrowings | (5,600.20) | (799.99) |
| | Short Term Borrowings (Net) | (90.00) | (328.00) |
| | Interest Paid | (215.85) | (13,382.77) |
| | Net Cash Flow Generated from Financing Activities | (5,906.05) | (14,510.76) |
| | Net (decrease) / increase in cash and cash equivalents (A+B+C) | (3.84) | (4.84) |
| | Cash and Cash Equivalents - Opening balance (Refer note no 11) | 8.12 | 12.96 |
| | Cash and Cash Equivalents - Closing balance (Refer note no 11) | 4.29 | 8.12 |



ANNEXURE I

Statement on Impact of Audit Qualification (for Audit Report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)

Statement on Impact of Audit Qualification for Financial Year ended March 31, 2022 (See Regulation 33/52 of SEBI (LODR) (Amendment) Regulations, 2016)

(Rs. In lacs)

| I. | Sl No. | Particulars | Audited Figures (as reported before adjusting for qualification) | Adjusted Figures (audited figures after adjusting for qualification) |
|----|--------|---|--|--|
| | 1 | Turnover / Total Income | 6,585.77 | 6,585.77 |
| | 2 | Total Expenditure | 22,820.01 | 29,783.96 |
| | 3 | Net Profit / (Loss) | (16,234.24) | (23,198.19) |
| | 4 | Earning Per Share | (7.80) | (10.71) |
| | 5 | Total Assets | 3,20,339.36 | 3,20,339.36 |
| | 6 | Total Liabilities | 2,85,716.21 | 2,92,680.16 |
| | 7 | Net Worth | 34,623.15 | 27,659.20 |
| | 8 | Any Other Financial Item(s) (as felt appropriate by the management) | | |

II. Audit Qualification (each audit qualification separately)

i. Details of Audit Qualification:

a Attention is drawn towards the Note No. 3 in case of Reliance Commercial Finance Ltd. stated below the standalone financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 410.66 lakhs and Rs. 1665.45 lakhs respectively on the loan taken from Reliance Commercial Finance Ltd. Had this been accounted, the Loss and the Liabilities would have increased to the extent of the amount specified above.

b Attention is drawn towards the Note No. 4 in case of disputed borrowings with certain lenders including IL&FS stated below the standalone financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 1306.48 lakhs and Rs. 5298.50 lakhs respectively. Had this been accounted, the Loss and the Liabilities would have increased to the extent of the amount specified above.

ii **Type of Audit Qualification : Qualified Opinion**

iii **Frequency of Qualification : Third time**

iv **For Audit Qualification(s) where the impact is quantified by the auditor, Management views**

An amount of Rs. 9,802 lakhs shown as received from Reliance Commercial Finance Ltd., a part of ADAG Group Company, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, are not payable till such time a sum of Rs. 50,653.15 lakhs shown as receivable / recoverable under the head "Other Advances", from ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani are received and the obligations in accordance with the Purchase Agreement dated 4th March, 2015 signed between the Company, SKIL Shipyard Holdings Pvt. Ltd. & others with the ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, viz, Reliance Infrastructure Limited and Reliance Defence Systems Pvt. Ltd. are fulfilled by ADAG Group Companies. Its a part of composite transaction emanating from and in connection with the sale of Pipavav Defence project to ADAG Group in accordance with the said Purchase Agreement and also based on the facts, circumstances and documents available on record. In view of above, the Company do not acknowledge or accept the liability of Reliance Commercial Finance Ltd.

On account of on-going disputes with Lenders including IL&FS, considering the facts, circumstances, documents and particular nature of transactions, the Company and has not booked any interest on amount of Rs. 25,148.43 Lakhs shown as received from IL&FS.

v **For Audit qualification(s) where the impact is not quantified by the Auditor**

c The impact of the penal interest on the borrowings mentioned in point (a) & (b) above is not ascertainable by the company due to lack of confirmation from lenders and cannot be commented upon.

d The outstanding balances of borrowing of the following banks are subject to confirmation:

(Amt. in lakhs)

| Sr. No. | Name of Lender | Principal | Interest |
|---------|----------------|-----------|----------|
| 1 | IDBI Bank | 3,337.00 | 3,857.35 |
| 2 | Union Bank | 564.14 | 432.56 |
| 3 | Yes bank | 37,058.95 | 8,998.76 |

e The impact relating to point (a) to (d) mentioned above with respect to compliance of tax laws which may arise out of such accounting adjustments, if any, is not ascertainable and cannot be commented upon.

vi **Management's estimation on the impact of audit qualification: Unascertainable**

vii **If management is unable to estimate the impact, reasons for the same:**

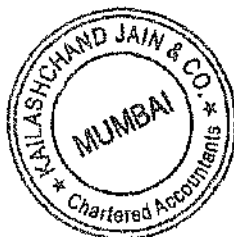
As the Company has not received confirmations from the Banks, the Management is not able to quantify the Impact on the same

viii **Auditor's Comments on (i) or (ii) above : NIL**

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: 30-05-2022
Place: Mumbai



For and on behalf of the Board

Bhavesh Gandhi
Whole Time Director
(In lieu of CEO)

V. Ramanan
Chairman of the Audit Committee

Shekhar Gandhi
CFO

KAILASH CHAND JAIN & CO. (Regd.)

CHARTERED ACCOUNTANTS

"Edena" 1st Floor,
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Near Income Tax Office,
Mumbai - 400 020.

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Phone : 022-22009131
022-22065373
022-22005373
Fax : 022-22089978

Independent Auditor's Report

To the Board of Directors of Skil Infrastructure Limited

Report on the audit of the Consolidated Annual Financial Results

Qualified Opinion

We have audited the accompanying consolidated annual financial result of **Skil Infrastructure Limited** (hereinafter referred to as 'the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") as listed in Annexure I, for the year ended March 31, 2022, attached herewith, being submitted by the Company pursuant to the requirements of regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulation').

In our opinion and to the best of our information and according to the explanation given to us, the aforesaid consolidated annual financial results, *except for the effects/ possible effects of the matters stated in Basis of Qualified Opinion below:*

- include the annual financial results of the entities listed in Annexure I;
- are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regards; and
- give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net loss and other comprehensive income and other financial information for the year ended March 31, 2022.

Basis for Qualified Opinion

- Attention is drawn towards the Note No. 3 in case of Reliance Commercial Finance Ltd. & Reliance Infrastructure Ltd. stated below the consolidated financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 1449.14 lakhs and Rs. 5877.05 lakhs respectively. Had this been accounted, the Consolidated Loss and the Liabilities would have increased to the extent of the amount specified above.
- Attention is drawn towards the Note No. 4 in case of disputed borrowings with certain lenders including IL&FS stated below the consolidated financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 3176.37 lakhs and Rs. 12,881.94 lakhs respectively. Had this been accounted, the Consolidated Loss and the Liabilities would have increased to the extent of the amount specified above.

- c. The impact of the penal interest on the borrowings mentioned in point (a) & (b) above is not ascertainable by the Group due to lack of confirmation from lenders and cannot be commented upon.
- d. The outstanding balances in the books of Holding Company of borrowing of the following banks are subject to confirmation:

| (Amt. in lakhs) | | | |
|-----------------|----------------|-----------|----------|
| Sr. No. | Name of Lender | Principal | Interest |
| 1 | IDBI Bank | 3,337.00 | 3,857.35 |
| 2 | Union Bank | 564.14 | 432.56 |
| 3 | Yes bank | 37,058.95 | 8,998.76 |

- e. Attention is drawn towards the Note No. 5 stated below the consolidated financial results, wherein a Subsidiary Company has entered into a one-time settlement agreement with E Cap Equities Limited in previous financial year and as per the settlement terms, the write-back of Rs. 1058.61 lakhs has not been accounted.
- f. The impact relating to point (a) to (e) mentioned above with respect to compliance of tax laws which may arise out of such accounting adjustments, if any, is not ascertainable and cannot be commented upon.

Emphasis of Matters

- a. We draw attention to the Note No. 10 stated below the consolidated financial results with respect to continuous losses, reduced net worth and default on its repayment of borrowings and preparation of the financial statements on going concern assumption, based on the reasons and assumptions stated in the aforesaid note. The Group's ability to continue as a going concern is dependent on generation of expected cash flows to be able to meet its obligations as and when they arise.
- b. Attention is drawn towards the Note No. 6 stated below the consolidated financial results with respect to short payment of the agreed dues as per the settlement agreement by the Holding Company.

Our opinion is not modified in respect of the same.

We conducted our audit in accordance with the Standard on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results* section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirement that are relevant to our audit of financial statement under the provision of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified opinion on the consolidated annual financial results.

Management's and Board of Director's Responsibilities for the Consolidated Annual Financial Results

These consolidated annual financial results have been prepared on the basis of the consolidated annual financial statements.



The Holding Company's Management and the Board of Directors are responsible for the preparation and presentation of these consolidated annual financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information of the group in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulation. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated annual financial results by the Management and the Directors of the Holding Company, as aforesaid.

In preparing the consolidated annual financial results, the Management and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the group is responsible for overseeing the Company's financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Consolidated Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated annual financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether



the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the consolidated financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated annual financial results, including the disclosures, and whether the consolidated annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial results/financial information of the entities within the Group to express an opinion on the consolidated annual financial results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated annual financial result of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

Other Matters

We did not audit the financial statement / financial information of one subsidiary whose financial statements / financial information reflect total assets of Rs. 0.04 Lakhs as at 31st March, 2022, total revenues of NIL Lakhs and net cash outflows amounting to Rs. 0.49 Lakhs for the year ended on that date, as considered in the consolidated financial statements. This financial statement / financial information is 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 this subsidiary and our report in terms of sub 92 section (3) and (11) of section 143 of the act in so far it relates to the aforesaid subsidiary 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 this financial statement/financial information are non-material to the Group.

Due to unavailability of financials statements of two associate companies viz. Rosoboronservice India Ltd. and Urban Infrastructure Holdings Private Limited, share of profit/ (loss) is not included in this consolidated financial statement.



Our opinion on the consolidated financial statements, 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.

The consolidated annual financial results include the results for the quarter ended March 31, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

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



Saurabh Chouhan
Partner

Membership No. 167453

UDIN: 22167453AJYAEG7141

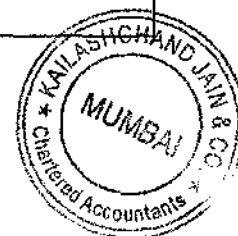
Place: Mumbai

Date: May 30, 2022



Annexure I

| Sr. No. | Name of the company | Nature of relationship |
|----------------|--|-------------------------------|
| 1 | SKIL Shipyard Holdings Private Limited | Wholly owned Subsidiary |
| 2 | SKIL (Singapore) Pte Limited | Wholly owned subsidiary |
| 3 | SKIL Advanced Systems Private Limited | Wholly owned subsidiary |
| 4 | Chiplun FTWZ Private Limited | Subsidiary |
| 5 | Gujarat Dwarka Portwest Limited | Subsidiary |



SKIL INFRASTRUCTURE LIMITED

Regd. Office : SKIL House, 209, Bank Street Cross Lane, Fort, Mumbai - 400 023

CIN: L36911MH1983PLC178299, E-mail: contact@skilgroup.co.in, Website: www.skilgroup.co.in

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

(Rs in lacs)

| Sr. No. | Particulars | Quarter Ended | | | Year Ended | |
|-----------|---|-------------------|-------------------|--------------------|--------------------|--------------------|
| | | March 31, 2022 | December 31, 2021 | March 31, 2021 | March 31, 2022 | March 31, 2021 |
| | | Audited | Unaudited | Audited | Audited | Audited |
| 1 | Revenue | | | | | |
| (a) | Revenue from Operations | - | - | 2,986.23 | - | 2,986.23 |
| (b) | Other Income | 1,060.58 | 26.07 | 439.33 | 6,585.87 | 4,071.82 |
| | Total Revenue | 1,060.58 | 26.07 | 3,425.56 | 6,585.87 | 7,058.05 |
| 2 | Expenses | | | | | |
| (a) | Cost of Materials Consumed | - | - | - | - | - |
| (b) | Employee Benefits Expenses | 27.68 | 31.64 | 961.29 | 113.96 | 1,047.32 |
| (c) | Finance Costs | 1,736.03 | 1,721.93 | 6,628.14 | 20,624.98 | 19,486.42 |
| (d) | Depreciation and Amortisation Expenses | 0.86 | 0.93 | 494.77 | 3.56 | 506.39 |
| (e) | Loss on Sale of Fix Assets & CWIP Written off | - | - | 39,890.46 | - | 39,890.46 |
| (f) | Other Expenses | 89.51 | 22.26 | 1,300.36 | 180.74 | 1,453.49 |
| (g) | Loss on Sale of Investments | 198.57 | - | - | 1,907.23 | - |
| | Total Expenses | 2,052.65 | 1,776.76 | 49,275.02 | 22,830.47 | 62,384.08 |
| 3 | Profit/(Loss) from Operations before Exceptional Items (1-2) | (992.07) | (1,750.69) | (45,849.46) | (16,244.60) | (55,326.03) |
| 4 | Exceptional Items | - | - | - | - | 4,994.64 |
| 5 | Profit / (Loss) Before Exceptional Items (3-4-5) | (992.07) | (1,750.69) | (45,849.46) | (16,244.60) | (50,331.39) |
| 6 | Tax Expenses | - | - | (81.25) | 160.20 | (322.34) |
| 7 | Profit / (Loss) for the period from continued operations | (992.07) | (1,750.69) | (45,930.71) | (16,084.40) | (50,653.73) |
| 8 | Other Comprehensive Income | | | | | |
| | Items that will be reclassified to profit or loss | | | | | |
| (i) | Mark to Market gain/(loss) on Non Current Investment | (827.81) | - | - | (827.81) | - |
| (ii) | F V on Current Investment | 6.90 | - | - | 6.90 | - |
| (iii) | Income Tax effect | - | - | - | - | - |
| | Items that will not be reclassified to profit or loss | | | | | |
| (i) | Actuarial gains/(losses) on defined benefit plans | (4.09) | - | 1.99 | (4.09) | 1.99 |
| (ii) | Income Tax effect | - | - | - | - | - |
| | Total Other Comprehensive Income for the period | (825.00) | - | 1.99 | (825.00) | 1.99 |
| (j) | Non Controlling Interest | 0.43 | - | 0.15 | 0.43 | 0.25 |
| 9 | Total Comprehensive Income for the period (7+8) | (1,817.07) | (1,750.69) | (45,928.57) | (16,908.97) | (50,651.49) |
| 10 | Paid-up Equity Share Capital (Face Value of Rs. 10 Each) | 21,657.12 | 21,657.12 | 21,657.12 | 21,657.12 | 21,657.12 |
| 11 | Other Equity (Reserves and Surplus) | - | - | - | - | (49,751.89) |
| 12 | Earnings Per Share (EPS) (* Not Annualised) | | | | | |
| (a) | Basic EPS (RS.) | (0.84) | (0.81) | (21.21) | (7.81) | (23.39) |
| (b) | Diluted EPS (RS.) | (0.84) | (0.81) | (21.21) | (7.81) | (23.39) |



STATEMENT OF ASSETS AND LIABILITIES

| Particulars | Consolidated | |
|-------------------------------------|---------------------------------|---------------------------------|
| | As at March 31, 2022 Audited | As at March 31, 2021 Audited |
| A ASSETS | | |
| (1) Non Current Assets | | |
| Property, Plant and Equipment | 3.07 | 1,292.87 |
| Intangible Assets | - | 84.54 |
| Capital Work in Progress | 3.07 | 1,377.41 |
| Financial Assets | | |
| Investments | 3,18,328.08 | 3,18,555.31 |
| Other Financial Assets | 55.28 | 57.52 |
| | 3,18,383.34 | 3,18,612.83 |
| Other Non Current Assets | 4,000.00 | 4,358.39 |
| | 4,000.00 | 4,358.39 |
| (2) Current Assets | | |
| Financial Assets | | |
| Investments | 137.05 | 278.25 |
| Trade Receivables | - | - |
| Cash and Cash Equivalents | 18.98 | 54.18 |
| Other Bank Balances | - | - |
| Other Current Financial Assets | 12,514.86 | 14,445.92 |
| | 12,670.87 | 14,777.35 |
| Other Current Assets | 31.14 | 32.87 |
| | 31.14 | 32.87 |
| Total Assets | 3,35,088.22 | 3,39,156.84 |
| B EQUITY AND LIABILITIES | | |
| Equity | | |
| Equity Share Capital | 21,657.52 | 21,657.12 |
| Other Equity | (68,580.77) | (48,751.89) |
| | (44,903.85) | (28,094.77) |
| Non Controlling Interest | 1,593.70 | 1,593.27 |
| Liabilities | | |
| Non Current Liabilities | | |
| Financial Liabilities | | |
| Borrowings | - | 69,142.85 |
| Other Financial Liabilities | 8,068.72 | 8,068.63 |
| | 8,068.72 | 77,211.48 |
| Provisions | 25.87 | 40.00 |
| Deferred Tax Liabilities (net) | - | - |
| Current Liabilities | | |
| Financial Liabilities | | |
| Borrowings | 2,47,160.58 | 1,74,250.78 |
| Trade Payable | - | - |
| Other Current Financial Liabilities | 74,394.12 | 68,670.75 |
| | 3,21,554.71 | 2,42,921.53 |
| Other Current Liabilities | 48,670.71 | 45,438.37 |
| Provisions | 78.18 | 58.75 |
| | 48,748.87 | 45,497.12 |
| TOTAL EQUITY AND LIABILITIES | 3,35,088.22 | 3,39,156.84 |

Notes :

- The Company has only one Business Segment, disclosure under led AS 108 on "Operating Segment" as notified under the Companies (Indian Accounting Standards) Rules 2015 as specified in Section 133 of the Companies Act, 2013.
- After review by the Audit Committee, the Board of Directors of the Company has approved the above results at their meeting held on 30th May, 2022.
- An amount of Rs. 32,829.78 lakhs shown as received from Reliance Commercial Finance Ltd., a part of ADAG Group Company, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, are not payable till such time a sum of Rs. 73,449.37 lakhs shown as receivable / recoverable under the head "Other Advances", from ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani are received and the obligations in accordance with the Purchase Agreement dated 4th March, 2015 signed between the Company, SKIL Shipyard Holdings Pvt. Ltd. & others with the ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, viz. Reliance Infrastructure Limited and Reliance Defence Systems Pvt. Ltd. are fulfilled by ADAG Group Companies. As a part of composite transaction emanating from and in connection with the sale of Pipavav Defence project to ADAG Group in accordance with the said Purchase Agreement and also based on the facts, circumstances and documents available on record, in view of above, the Company do not acknowledge or accept the liability of Reliance Commercial Finance Ltd.
- On account of on-going disputes with various lenders including IIL&FS, considering the facts, circumstances, documents and particular nature of transactions, the Holding Company alongwith its subsidiaries and has not booked any interest on amount of Rs. 52,148.43 lakhs.
- A subsidiary had entered into an agreement with E Cap Equities Limited to settle their dues in FY 2020-2021 and accounting effect of the same will be captured in the books of accounts upon compliance of all the terms and conditions of the said agreement.
- The Holding Company was to pay Rs. 282.00 lakhs in FY 2021-22 as per its settlement agreement with a lender out of which Rs. 90.00 lakhs have been paid in FY 2021-22. The Company is in negotiations with the lender to revise the payment schedule for balance dues.
- As per Settlement Agreement dated 1st Oct, 2020 with ECap Equities Limited (ECap), an amount of Rs. 35 crores was to be paid to ECap during the quarter. The subsidiary company was informed by ECap that they have assigned their dues the said agreement to Edelweiss Finvest Limited (EFL) and EFL have further assigned the same to Edelweiss Asset Reconstruction Company Limited (EARC). However, both above mentioned assignments have been carried out by ECap without availing the required Deeds of Adherence as stipulated in the said agreement. Therefore, the said assignments are not binding on the subsidiary Company. In view of above, the subsidiary Company will pay Rs due instalment only upon execution of the Deeds of Adherence which are pending from ECap's end.
- SKIL Hitech Infrastructure & Tourism Ltd and Matrotech Technology Park Pvt. Ltd. have ceased to be the subsidiaries on account of the Company's investment [in the said subsidiaries] in the form of their equity shares invoked by a lender. The Holding Company has now reversed/written back the Provision for Impairment made on the said investment earlier and has shown this reversal/writing back under the head "Other Income".
- During the year, Holding Company has written off its investment / advances in Dantiya Polo Petrochemicals Limited and SKIL Strategic Defence Systems Pvt. Ltd on account of both these companies were struck off by ROC u/s 560 of the Companies Act.
- On issues related to the Holding Company's going concern status such as continuous losses reduced net worth and default on its repayments of borrowings, the company is in discussion with its lender of settlement of its dues/borrowings. The Holding Company is also awaiting verdict of its various legal disputes related to its financial claims on various entities which, if announced in the Holding Company's favour, will result in significant cash flow into the Company. This, along with the proceeds from the Holding Company's divestment/monetization which is being actively pursued, will help the Company in riding over its current financial situation and to fulfill its financial obligations without any difficulty. Accordingly the financial statement has been prepared on a going concern basis.
- The subsidiaries considered in the consolidated financial statements as at March 31, 2022 are namely SKIL Advanced Systems Pvt Ltd. (100%), Gujarat Dwarika Postwest Limited (74.60%), SKIL Shipyard Holdings Pvt. Ltd. (100%), SKIL (Singapore) Pte Ltd. (100%) and Chiplun FTWZ Pvt. Ltd. (52%)
- The accompanying quarterly consolidated financial result does not include interim financial result / financial information, in respect of two Associate companies, Urban Infrastructure Holding Private Limited (85%), Roobanservice (India) Limited (20%).
- The statements include the results for the Quarter ended 31st March, 2022 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures upto third quarter of the current financial year.
- The above stated figures are in accordance with the principles and procedures of Indian Accounting Standards (Ind AS) as notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- The figures for the previous period/year have been, regrouped and reclassified to make them comparable with those of current period.

Place :- Mumbai
Date :- May 30, 2022

Bhavesh Gandhi
Director
DIN : 00030623

SKIL Infrastructure Limited

Consolidated Cash Flow Statement for the period ended 31st March, 2022

Rs in Lacs

| Sr. No. | Particulars | For the Period ended March 31, 2022 | For the Period ended March 31, 2021 |
|----------|---|--|--|
| A | Cash Flow from Operating Activities | | |
| | Net Loss before Tax | (16,244.60) | (50,331.39) |
| | Adjustments for :- | - | - |
| | Depreciation and Amortisation Expenses | 3.56 | 506.39 |
| | Interest Income | - | - |
| | Dividend on Current Investments | (0.28) | (0.46) |
| | Loss on Sale of Investment | 1,907.23 | - |
| | Residual Value written off | - | 281.40 |
| | Finance Costs | 20,624.98 | 18,486.42 |
| | Actuarial gains/(losses) on defined benefit plans | - | 1.99 |
| | Balances Written off/back (net) | (81.89) | (13.24) |
| | Investment Written Off | 42.85 | - |
| | Loss on sale/discard of Property, plant and equipments | (0.61) | 39,890.46 |
| | Exceptional Item | - | (4,994.64) |
| | Provision for Impairment Written back | (6,502.83) | - |
| | Fair Value on Current Investment | - | 52.96 |
| | Operating profit/(loss) before working capital changes | (251.59) | 4,879.89 |
| | Adjusted for | | |
| | Trade and Other Receivables /assets | 37.22 | (2,185.28) |
| | Trade and Other Payables / liabilities | 161.29 | 389.94 |
| | Cash Used in Operations | (53.08) | 3,084.54 |
| | Direct Taxes (Paid) / Refund | 160.20 | 1,458.26 |
| | Net Cash Used in Operating Activities | 107.12 | 4,542.80 |
| B | Cash Flow from Investing Activities | | |
| | Purchase of Property, plant and equipment and Capital Work in Progress | 0.66 | (0.68) |
| | Sale of Property, plant and equipment including refund of Capital advance | 0.77 | 14,962.19 |
| | Advance to Related Parties (Net) | - | - |
| | Loan to Others | (42.12) | 543.11 |
| | Interest Received | - | - |
| | Sale of Investments | 5,600.20 | (3,886.57) |
| | Redemption of Current Investment | 146.37 | - |
| | Dividend Received on Current Investments | - | - |
| | Net Cash (used in)/Generated from Investing Activities | 5,705.88 | 11,618.05 |
| C | Cash Flow from Financing Activities | | |
| | Proceeds from Long Term Borrowings | - | - |
| | Repayment of Long Term Borrowings | (5,600.20) | (2,637.59) |
| | Short Term Borrowings (Net) | (60.00) | (328.00) |
| | Interest Paid | (215.85) | (15,406.90) |
| | Net Cash Flow Generated from Financing Activities | (5,876.05) | (18,372.49) |
| | Net (decrease) / increase in cash and cash equivalents (A+B+C) | (63.04) | (2,211.65) |
| | Cash and Cash Equivalents - Opening balance (Refer note no 11) | 54.18 | 2,265.83 |
| | Less: Adjustment on account of Dilution of Subsidiaries | (10.09) | - |
| | Cash and Cash Equivalents - Closing balance (Refer note no 11) | 18.96 | 54.18 |



ANNEXURE 1

Statement on impact of Audit Qualification (for Audit Report with modified opinion) submitted along with Annual Audited Financial Results - (Consolidated)

Statement on impact of Audit Qualification for Financial Year ended March 31, 2022 (See Regulation 33/52 of SEBI (LODR) (Amendment) Regulations, 2016)
(Rs. in lacs)

| Sr No. | Particulars | Audited Figures (as reported before adjusting for qualification) | Adjusted Figures (audited figures after adjusting for qualification) |
|--------|---|--|--|
| 1 | Turnover / Total Income | 6,585.87 | 7,644.48 |
| 2 | Total Expenditure | 22,810.47 | 41,589.46 |
| 3 | Net Profit / (Loss) | (16,244.60) | (33,944.98) |
| | Minority | 0.43 | 0.43 |
| | Net Profit / (Loss) to the Company | (16,244.17) | (33,944.55) |
| 4 | Earning Per Share | (7.81) | (15.67) |
| 5 | Total Assets | 3,35,088.22 | 3,36,146.83 |
| 6 | Total Liabilities | 3,78,398.17 | 3,97,157.16 |
| 7 | Net Worth | (43,309.95) | (61,010.33) |
| 8 | Any Other Financial Item(s) (as felt appropriate by the management) | - | - |

II. Audit Qualification (each audit qualification separately)

i. Details of Audit Qualification:

- a. Attention is drawn towards the Note No. 3 in case of Reliance Commercial Finance Ltd. & Reliance Infrastructure Ltd. stated below the consolidated financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 1449.34 lakhs and Rs. 5877.05 lakhs respectively. Had this been accounted, the Consolidated Loss and the Liabilities would have increased to the extent of the amount specified above.
- b. Attention is drawn towards the Note No. 4 in case of disputed borrowings with certain lenders including IL&FS stated below the consolidated financial results, and based on that, the Company, during the quarter and year ended March 31, 2022 has not accounted interest (excluding penal interest) of Rs. 3176.37 lakhs and Rs. 12,881.94 lakhs respectively. Had this been accounted, the Consolidated Loss and the Liabilities would have increased to the extent of the amount specified above.
- c. Attention is drawn towards the Note No. 5 stated below the consolidated financial results, wherein a Subsidiary Company has entered into a one-time settlement agreement with E Cap Equities Limited in previous financial year and as per the settlement terms, the write-back of Rs. 1058.61 lakhs has not been accounted.

ii. Type of Audit Qualification : Qualified Opinion

iii. Frequency of Qualification : Third time

iv. For Audit Qualification(s) where the impact is quantified by the auditor, Management views

An amount of Rs. 33,473.38 lakhs shown as received from Reliance Commercial Finance Ltd., & Reliance Infrastructure Ltd, a part of ADAG Group Company, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, are not payable till such time a sum of Rs. 71,449.37 lakhs shown as receivable / recoverable under the head "Other Advances", from ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani are received and the obligations in accordance with the Purchase Agreement dated 4th March, 2015 signed between the Company, SKIL Shipyard Holdings Pvt. Ltd. & others with the ADAG Group Companies, promoted, owned and controlled by Shri Anil Dhirubhai Ambani, viz. Reliance Infrastructure Limited and Reliance Defence Systems Pvt. Ltd. are fulfilled by ADAG Group Companies. Its a part of composite transaction emanating from and in connection with the sale of Pipavav Defence project to ADAG Group in accordance with the said Purchase Agreement and also based on the facts, circumstances and documents available on record. In view of above, the Company do not acknowledge or accept the liability of Reliance Commercial Finance Ltd.

On account of on-going disputes with various other lenders with IL&FS, considering the facts, circumstances, documents and particular nature of transactions, the Company and has not booked any interest on amount of Rs. 66,449 Lakhs shown as received from IL&FS.

As per the settlement agreement the Company is required to reverse the Interest Expenses of Rs. 1058.61 Lakhs, the same will be accounted upon compliance of the terms and conditions of the settlement agreement dated 1st October, 2020.

v. For Audit qualification(s) where the is not quantified by the Auditor

- d. The impact of the penal interest on the borrowings mentioned in point (a) & (b) above is not ascertainable by the Group due to lack of confirmation from lenders and cannot be commented upon.
- e. The outstanding balances in the books of Holding Company of borrowing of the following banks are subject to confirmation:

| Sr. No. | Name of Lender | Principal | Interest |
|---------|----------------|-----------|----------|
| 1 | IDBI Bank | 3,337.00 | 3,857.25 |
| 2 | Union Bank | 564.14 | 482.56 |
| 3 | Yes bank | 37,058.95 | 8,998.76 |

- f. The impact relating to point (a) to (d) mentioned above with respect to compliance of tax laws which may arise out of such accounting adjustments, if any, is not ascertainable and cannot be commented upon.

vi. Management's estimation on the impact of audit qualification: Unascertainable

vii. If management is unable to estimate the impact, reasons for the same:

As the Company has not received confirmations from the Banks, the Management is not able to quantify the impact on the same.

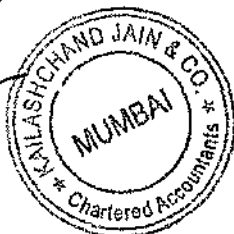
viii. Auditor's Comments on (i) or (ii) above :

NIL

As per our report of even date
For Kailash Chand Jain & Co.
Chartered Accountants
Firm Reg. No. 112318W

Saurabh Chohan
Partner
Membership No. 167453

Date: 30/05/2022
Place: Mumbai



For and on behalf of the Board

Bhavesh Gandhi
Whole Time Director
(In lieu of CEO)

V. Ramanan
Chairman of the Audit Committee

Shekhar Gandhi
CFO