

SKIL INFRASTRUCTURE LIMITED

33rd ANNUAL REPORT
2015-2016

33rd ANNUAL GENERAL MEETING

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

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BOARD OF DIRECTORS

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

*Upto November 26, 2015

CHIEF EXECUTIVE OFFICER

Mr. Ajay Khera

CHIEF FINANCIAL OFFICER

Mr. Sudipan Bhaduri

COMPANY SECRETARY

Mr. Nilesh Mehta

AUDITORS

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

BANKERS

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

REGISTERED OFFICE

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

REGISTRAR & SHARE TRANSFER AGENTS

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

NOTICE

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

ORDINARY BUSINESS:

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

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

Registered Office

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

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

**Nilesh Mehta
Company Secretary**

Place: Mumbai

Date: August 09, 2016

NOTES:

1. PROXIES

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

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

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

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

- (iii) Click on Shareholders.
- (iv) Now Enter your User ID:
- For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com 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:

For Members holding shares in Demat Form and Physical Form	
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"> 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.
Dividend Bank Details OR 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"> 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).

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the Electronic Voting Sequence Number ("EVS" i.e. 160822042) for SKIL Infrastructure Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same, the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates and Custodians respectively.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - 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, under help section or write an email to helpdesk.evoting@cdslindia.com. You may also contact Mr. Rakesh Dalvi, Deputy Manager, CDSL, 17th Floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001, Email ID: helpdesk.evoting@cdslindia.com, Phone No. (toll free): 1800-200-5533.

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

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

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

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

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

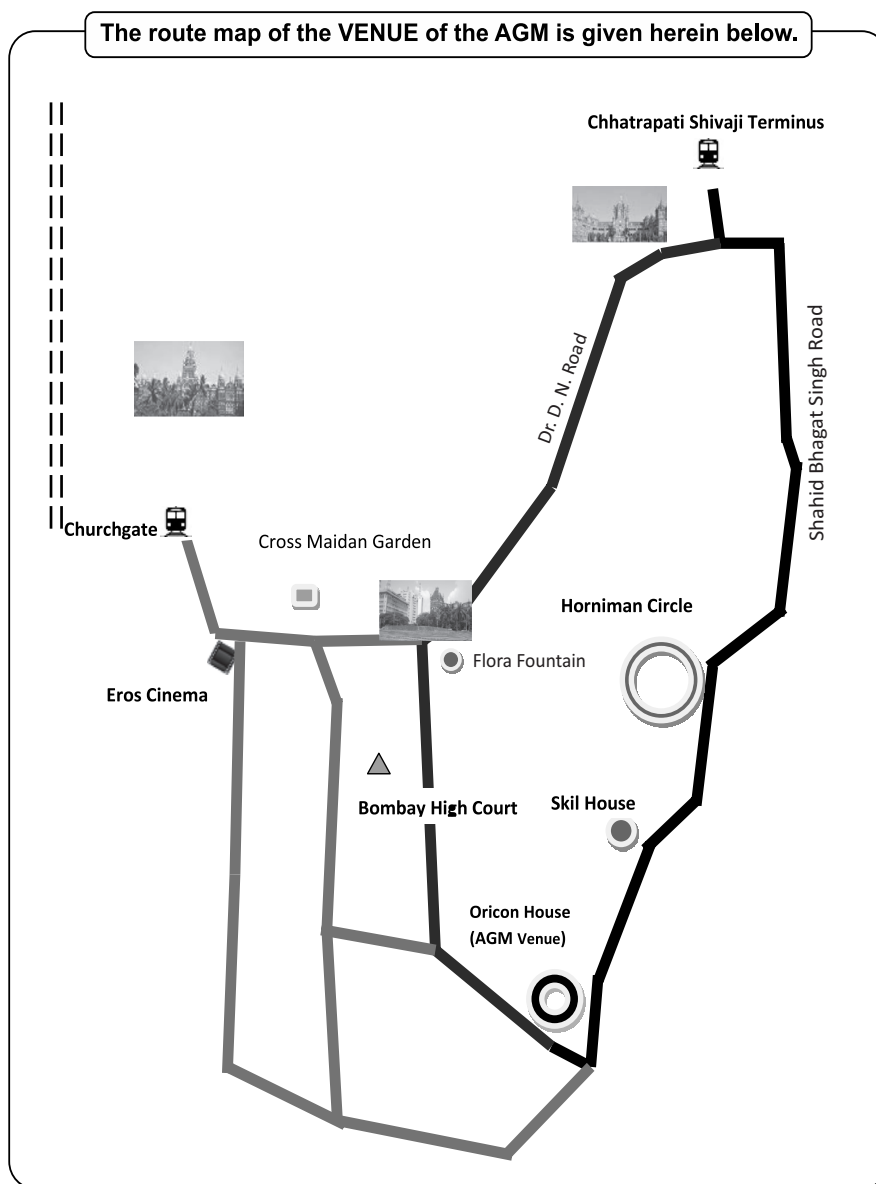
The results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.skilgroup.co.in and on the website of CDSL immediately after the declaration of result. The results shall also be immediately forwarded to the National Stock Exchange of India Limited and BSE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

EXHIBIT TO NOTICE

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

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

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



DIRECTORS' REPORT

Dear Members,

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

Financial Highlights (Standalone)

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

(₹ in Lacs)

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

State of Company's Affairs

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

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

Future Outlook

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

Dividend

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

Details of Subsidiary, Associates & Joint Venture

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

i) Subsidiary Companies

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

Chiplun FTWZ Private Limited

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

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

ii) Associate Companies

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

*Became an associate company during the year under review.

iii) Joint Ventures

Sohar Free Zone LLC

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

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

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

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

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

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

Extract of Annual Return

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

Details of Directors and Key Managerial Personnel

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

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

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

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

Details of Remuneration

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

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

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

Performance Evaluation

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

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

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

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

Directors Responsibility Statement

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

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