

# REPORT ON CORPORATE GOVERNANCE

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance refers to a set of laws, regulations and good practices which ensures that a Company is governed in the best interest of all the stakeholders. It ensures that the affairs of the Company are being managed in a way which ensures integrity, fairness, equity, transparency, accountability and commitment to values.

Your Company is committed to achieve and maintain the highest standards of Corporate Governance. Every effort is made to follow best practices in all the functional areas and in discharging the Company's responsibilities towards all stakeholders and the community at large.

## 2. BOARD OF DIRECTORS

### (a) Board composition, category of directorship, other directorship's held, shareholding of directors, inter-se relationship.

The Board of Directors and the Committees of the Board plays a leadership role in upholding and nurturing the principles of good governance and provides guidance & supervision to the management, thereby enhancing stakeholder's value.

Your Company has competent, experienced and eminent personalities from different fields of work as the members of the Board.

The Company has an optimum mix of Executive and Non-Executive Directors in conformity with the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors as on 31<sup>st</sup> March, 2017 comprised eight directors, of which four are Executive Directors and four are Non Executive Independent Directors including a Women Director.

None of the Directors hold office in more than twenty companies and in more than ten public companies. None of the Directors on the Board is a member of more than ten committees or act as Chairman of more than five committees across all companies in which they are Directors. None of the Independent Director's are serving as an Independent Director in more than seven listed companies and the Whole Time Director's are not serving as Independent Director in more than three listed companies. All the directors have made necessary disclosures regarding directorship / committee positions occupied by them in other public limited companies in accordance with Regulations 25 and 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013.

At the time of appointment, every Independent Director signs a Declaration to confirm that he fulfills all the conditions for being an Independent Director as laid down under the law.

Details of Directors as on 31<sup>st</sup> March, 2017 are as follows:

Sl. No	Name of Directors	DIN	Category	Number of other Directorships 1	Other Committee position's held 2		Number of Shares held in the Company
					As Chairman	As Member (including chairmanship)	
1.	Mr. Amit Kiran Deb	02107792	Independent Director-Chairman	6	1	6	-
2.	Mr. Manindra Nath Banerjee	00312918	Independent Director	3	1	2	-
3.	Mr. Joginder Pal Dua	02374358	Independent Director	2	-	-	-
4.	Mrs. Mamta Binani	00462925	Independent Director-Woman Director	6	1	4	-
5.	Mr. Sajan Kumar Bansal	00063555	Managing Director (Promoter)	10	-	-	8,237,796

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Sl. No	Name of Directors	DIN	Category	Number of other Directorships 1	Other Committee position's held 2		Number of Shares held in the Company
					As Chairman	As Member (including chairmanship)	
6	Mr. Sharan Bansal	00063481	Executive Director (Promoter)	9	-	-	4,696,955
7	Mr. Devesh Bansal	00162513	Executive Director (Promoter)	10	-	-	3,622,175
8	Mr. Siddharth Bansal	02947929	Executive Director & CEO Polymer Division (Promoter)	3	-	-	10,468,725

1 Excludes directorship of professional bodies, foreign companies, Companies registered under Section 8 of the Companies Act, 2013.

2 Represents only membership/ chairmanship of Audit Committee & Stakeholders Relationship Committee of Indian Public Companies whether listed or not.

Mr. Sharan Bansal, Mr. Devesh Bansal, Mr. Siddharth Bansal are sons of Mr. Sajan Kumar Bansal and brothers amongst themselves. No other Director's are related to each other in terms of the definition of "relative" given under the Companies Act, 2013.

### (b) Board Meetings & Attendance

The Board periodically meets and discusses Company's business operations, policies, strategies, future course of action and reviews all the relevant information, which is required to be placed before the Board as per the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Board meets at least once in every quarter to review the quarterly results and other items on the agenda with a maximum time gap of one hundred and twenty days between any two meetings. Additional meetings are held when necessary and in case of urgent business, the Board's approval is taken by passing resolution by circulation in accordance with the provisions of the Companies Act, 2013 and Secretarial Standards which is noted and confirmed in the subsequent Board meeting.

Agenda and notes on agenda are circulated amongst the Director's well in advance to enable the Board to take informed decisions. Any item not included in the Agenda is taken up for consideration before the Board with the permission of the Chairman and the consent of majority of Directors present at the meeting, including at least one Independent Director. Draft minutes of the proceedings of the Board of Directors are circulated in time and the comments, if any, received from the Director's are incorporated in the minutes in consultation with the Chairman.

The Company has complied with Part A of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

During the year, four Board Meetings were held on 18<sup>th</sup> May, 2016, 8<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 8<sup>th</sup> February, 2017. The necessary quorum was present at all the meetings.

Attendance of Directors at the above mentioned Board Meetings and at the 35<sup>th</sup> Annual General Meeting held on 8<sup>th</sup> August, 2016 are as under:

Sl. No.	Name of Director	Number of Board Meetings held during the year		Attendance at last AGM
		Held	Attended	
1	Mr. Amit Kiran Deb	4	4	Yes
2	Mr. Manindra Nath Banerjee	4	4	Yes
3	Mr. Joginder Pal Dua	4	2	Yes
4	Mrs. Mamta Binani	4	3	Yes
5	Mr. Sajan Kumar Bansal	4	4	Yes

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Sl. No.	Name of Director	Number of Board Meetings held during the year		Attendance at last AGM
		Held	Attended	
6	Mr. Sharan Bansal	4	4	Yes
7	Mr. Devesh Bansal	4	4	Yes
8	Mr. Siddharth Bansal	4	4	Yes

### (c) Brief details of Directors seeking appointment/re-appointment

Mr. Devesh Bansal, Whole-Time Director who retires by rotation, being eligible, has offered himself for re-appointment in the ensuing Annual General Meeting.

Mr. Sharan Bansal has been re-appointed as a Whole-time Director of the Company by the Board of Directors at its meeting held on 15<sup>th</sup> May, 2017 for a period of 3 (three) years w.e.f 1<sup>st</sup> July, 2017 which is subject to the approval of the members at the ensuing Annual General Meeting.

Pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the brief details of the Directors seeking re-appointment are appended to the notice of the ensuing Annual General Meeting.

### (d) Independent Directors

All Independent Director's of the Company have been appointed in accordance with the provisions of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Formal letter of appointments have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/General-Info-Appointment-Letter-of-Independent-Director.pdf>

During the year, Independent Directors of the Company met separately without the presence of Executive Directors or management representatives on 18<sup>th</sup> May, 2016 to discuss the following:

- (i) review and evaluate the performance of Non-Independent Directors and the Board as a whole.
- (ii) review the performance of Chairman of the Company.
- (iii) evaluate and assess the quality, quantity and timeliness of flow of information between the Company's management and the Board and its committees that is necessary to effectively and reasonably perform and discharge their duties.

### (e) Familiarization Programme for Independent Directors

In terms of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company organizes familiarization programmes for its Independent Directors with the objective of familiarizing them with the Company, its operations, business model, nature of industry, environment in which it operates and informing them about the roles and responsibilities of Independent Directors.

The Company also regularly provides its Board members with all necessary documents, updates, reports, policies of the Company to ensure that the Independent Directors are properly aware about the business and performance of the Company from time to time.

In adherence to Regulation 46(2) (i) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the details of familiarization programme imparted to the Independent Directors is available at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS.pdf>

## 3. COMMITTEES

Committees are constituted to focus on specialized areas of business which they have been assigned by the Board. They play a pivotal role in the good governance practices along with efficient functioning of the Company. Meeting of each of these Committee are administered by the respective Chairman of the Committee. The Minutes of the meetings of all the Committees are placed before the Board for review.

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The Company has constituted the following committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee (*Dissolved w.e.f 8<sup>th</sup> February, 2017*)
- (f) Finance Committee (*non statutory committee*)
- (g) Executive Committee (*non statutory committee*)

#### 4. AUDIT COMMITTEE

The Audit Committee of the Board has been constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee comprises of four directors. All the members of the Committee are financially literate and have wide exposure in the area of accounting, audit, finance, taxation, banking and internal control.

The Committee acts in accordance with its terms of reference and the Chairman of the Committee briefs the Board about the significant discussions at the Audit Committee Meetings. The minutes of each Audit Committee Meeting are placed in the next Board Meeting.

The Audit Committee meets every quarter to review the financial results of previous quarter before the same is approved by the Board and also meets every year before the finalization of accounts. During the year, four Audit Committee Meetings were held on 18<sup>th</sup> May, 2016, 8<sup>th</sup> August, 2016, 10<sup>th</sup> November, 2016 and 8<sup>th</sup> February, 2017. The gap between any two meetings did not exceed one hundred and twenty days complying with the Companies Act, 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition of Audit Committee and the details of meetings attended by the members are given below:

Name of the Directors	Category	Meeting held during the year/ Tenure	Meeting attended
Mr. Manindra Nath Banerjee (Chairman)	Independent Director	4	4
Mr. Amit Kiran Deb	Independent Director	4	4
Mr. Joginder Pal Dua*	Independent Director	3	2
Mr. Sharan Bansal	Executive Director	4	4

\* Mr. Joginder Pal Dua was inducted as a member w.e.f 18<sup>th</sup> May, 2016

Generally, the Statutory Auditors, Internal Auditors, Chief Financial Officer are invitees to the meetings of the Committee. The Company Secretary acts as secretary to the Committee.

The Chairman of the Audit Committee attended the last Annual General Meeting of the Company held on 8th August, 2016.

#### Terms of Reference of Audit Committee

The terms of reference of the Audit Committee are in line with the guidelines set out in Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, and includes the following:

- (i) oversee the financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (ii) recommend for appointment, remuneration and terms of appointment of auditors.
- (iii) approve payment to statutory auditors for any other services rendered by the statutory auditors.

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- (iv) review with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - (b) changes, if any, in accounting policies and practices and reasons for the same;
  - (c) major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) significant adjustments made in the financial statements arising out of audit findings;
  - (e) compliance with listing and other legal requirements relating to financial statements;
  - (f) disclosure of any related party transactions;
  - (g) modified opinion(s) in the draft audit report;
- (v) review with the management, the quarterly financial statements before submission to the board for approval;
- (vi) review with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter.
- (vii) review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (viii) approve or subsequently modify the transactions with related parties.
- (ix) scrutinize inter-corporate loans and investments.
- (x) undertake valuation of undertakings or assets of the Company, wherever it is necessary.
- (xi) evaluate internal financial controls and risk management systems.
- (xii) review with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
- (xiii) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- (xiv) discuss with internal auditors any significant findings and follow up there on.
- (xv) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
- (xvi) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (xvii) look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (xviii) review the functioning of the whistle blower mechanism.
- (xix) approve appointment of chief financial officer after assessing the qualifications, experience and background, etc of the candidate.

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- (xx) perform any other activity consistent with these terms of reference and applicable laws that the Committee deems necessary or appropriate or as may be requested by the Board from time to time.
- (xxi) The Audit Committee shall mandatorily review the following information:
- (a) management discussion and analysis of financial condition and results of operations.
  - (b) statement of significant related party transactions (as defined by the audit committee), submitted by management.
  - (c) management letters / letters of internal control weaknesses issued by the statutory auditors.
  - (d) internal audit reports relating to internal control weaknesses.
  - (e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
  - (f) statement of deviations:
    - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
    - annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulations 32(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 5. NOMINATION AND REMUNERATION COMMITTEE

The Board had constituted a Nomination & Remuneration Committee in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) 2015.

During the year, three Nomination & Remuneration Committee meetings were held on 18<sup>th</sup> May, 2016, 10<sup>th</sup> November, 2016 and 8<sup>th</sup> February, 2017.

The composition of Nomination and Remuneration Committee and the details of meetings attended by the members are given below:

Name of the Directors	Category	Meeting held during the year/tenure	Meeting attended
Mr. Manindra Nath Banerjee (Chairman)	Independent Director	3	3
Mr. Amit Kiran Deb	Independent Director	3	3
Mrs. Mamta Binani*	Independent Director	3	2

\* Mrs. Mamta Binani was inducted as a member w.e.f 10<sup>th</sup> May, 2016.

The Company Secretary acts as secretary to the Committee.

The Chairman of Nomination & Remuneration Committee attended the last Annual General Meeting of the Company held on 8<sup>th</sup> August, 2016.

#### Terms of Reference of Nomination & Remuneration Committee

The terms of reference of the Nomination & Remuneration Committee are in line with the guidelines set out in Regulation 19 read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 178 of the Companies Act, 2013 and includes the following:

- (i) formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees.

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- (ii) formulate criteria for evaluation of performance of Independent Directors and the Board of Directors.
- (iii) carry out evaluation of every director's performance.
- (iv) devise a policy on diversity of board of directors.
- (v) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- (vi) decide whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors.
- (vii) administer the Company's stock option scheme & executive incentive plans.
- (viii) perform any other activity consistent with these terms of reference and applicable laws that the Committee deems necessary or appropriate or as may be requested by the Board from time to time.

### **Performance Evaluation Criteria for Independent Directors**

Structured questionnaire designed on the basis of Company's Board Evaluation Policy & framework adopted by the Board were used for the purpose of carrying out the evaluation process.

Following are the major criteria applied for performance evaluation of the Independent Directors:

- (a) Professional qualifications and experience.
- (b) Attendance and participations in the meetings and timely inputs on the minutes of the meetings.
- (c) Staying updated on developments.
- (d) Adherence to ethical standards & code of conduct of Company and disclosure of non – independence, as and when it exists and disclosure of interest.
- (e) Contribution to the strategic planning process.
- (f) Raising of valid concerns to the Board and constructive contribution to resolution of issues at meetings.
- (g) Interpersonal relations with other directors and management.
- (h) Objective evaluation of Board's performance, rendering independent, unbiased opinion.
- (i) Understanding of the Company and the external environment in which it operates and contribution to strategic direction.
- (j) Safeguarding interest of whistle-blowers under vigil mechanism.
- (k) Safeguarding interest of the Company.

## **6. REMUNERATION OF DIRECTORS**

The Company has formulated a Remuneration Policy which determines the compensation structure of the Executive/Non Executive Directors. The Remuneration Policy is reviewed and reassessed by the Nomination & Remuneration Committee from time to time and the Board is responsible for approving and overseeing implementation of the same.

The Remuneration Policy of the Company is attached to the Director's Report as Annexure- A and is also available on the website of the Company <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/REMUNERATION-POLICY.pdf>



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### (a) Remuneration paid to Executive Directors

The appointment and remuneration of Executive Directors are governed by the Articles of Association of the Company and the resolutions passed by the Board and shareholders of the Company. The remuneration paid to Executive Directors is determined keeping in view the industry benchmarks, the performance of the Director, the performance of the Company and upon recommendation of Nomination & Remuneration Committee.

#### Details of remuneration paid to Executive Directors during the year 2016-17 is given below:

Name	Designation	Salary	Bonus/ Commission/ Pension	Period of appointment	Notice Period	Severance Fee	Stock Option
Mr. Sajan Kumar Bansal	Managing Director	48 millions		Appointed for a period of 3 years upto 30 <sup>th</sup> September, 2019			
Mr. Sharan Bansal	Executive Director	24 millions	Nil	Appointed for a period of 3 years upto 30 <sup>th</sup> June, 2017 *	Three months prior notice in writing to the other	NIL	NIL
Mr. Devesh Bansal	Executive Director	24 millions		Appointed for a period of 3 years upto 31 <sup>st</sup> March, 2019			
Mr. Siddharth Bansal	Executive Director & CEO Polymer Division	24 millions		Appointed for a period of 3 years upto 31 <sup>st</sup> March, 2019			

\* Mr. Sharan Bansal has been re-appointed as Whole-time Director by Board of Directors at its meeting held on 15<sup>th</sup> May, 2017 for a period of 3 years upto 30<sup>th</sup> June, 2020 which is subject to the approval of the members at the ensuing Annual General Meeting.

### (b) Remuneration paid to Non Executive Directors

Non Executive Directors are appointed by the Board upon recommendation of Nomination & Remuneration Committee for their professional expertise in their individual capacity. The Non Executive Directors provides valuable advice, suggestions and guidance to the management of the Company on strategic and critical issues faced by the Company from time to time.

The Company believes that overall remuneration to the Non-Executive Directors should be reasonable and sufficient to attract, retain & motivate the Non-Executive Directors.

Currently the Non-Executive Directors are paid sitting fee of ₹ 25,000/- for each Board Meeting and ₹ 15,000/- for each Committee Meeting attended by them. Further, the Non-Executive Directors are paid commission, in aggregate not exceeding one percent of the net profit of the Company for each financial year as computed in the manner laid down in Section 198 of Companies Act, 2013, subject to a maximum of ₹ 1,00,000/- per Director per year. Necessary approval from the members in this regard has been obtained by the Company.

The Company has no pecuniary relationship or transactions with its Non-Executive Directors other than payment of sitting fee and commission to them for discharging their service in the Company.

#### Details of remuneration paid to Non-Executive Directors during the year 2016-17 is given below:

Name of Director	(₹ in million)		
	Sitting Fee	Commission*	Total
Mr. Amit Kiran Deb	0.225	0.100	0.325
Mr. Manindra Nath Banerjee	0.255	0.100	0.355
Mr. Joginder Pal Dua	0.080	0.100	0.180
Mrs. Mamta Binani	0.105	0.100	0.205



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### 7. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee has been duly constituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee is responsible to maintain investor's relations, redressal of investor's grievances, transfer of shares, transmission of shares, issue of duplicate shares and other shareholder's related matters. The terms of reference of the Committee meet with the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013.

During the year under review, one Stakeholders Relationship Committee meeting was held on 3<sup>rd</sup> June, 2016.

The composition of Stakeholders Relationship Committee and the details of meetings attended by the members are given below:

Name of the Directors	Category	Meeting held during the year/tenure	Meeting attended
Mr. Amit Kiran Deb (Chairman)	Independent Director	1	1
Mr. Manindra Nath Banerjee	Independent Director	1	1
Mr. Sharan Bansal	Executive Director	1	1
Mr. Devesh Bansal	Executive Director	1	1

Mr. Manish Agarwal has been appointed as the Compliance Officer of the Company w.e.f 4<sup>th</sup> January, 2017 and as the Company Secretary of the Company w.e.f 8<sup>th</sup> February, 2017 upon resignation of Mr. Arbind Kumar Jain w.e.f 29<sup>th</sup> December, 2016.

During the year, neither any complaints were received from the investors/ shareholders nor were any complaints pending at the beginning and at the closing of the year. No compliant was posted on SCORES.

### 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has duly constituted a Corporate Social Responsibility (CSR) Committee in compliance with Section 135 of the Companies Act, 2013 read with relevant rules.

The Corporate Social Responsibility Committee assist the Board in discharging its social responsibilities and monitor's the Corporate Social Responsibility Policy of the Company. The Committee member recommends the amount of expenditure to be incurred on CSR activities by the Company during each financial year and monitors implementation of the same. The terms of reference of the Committee meet with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013.

Details of CSR activities and amount incurred by the Company are given in the Annexure- B to the Directors' Report.

During the year under review, one Corporate Social Responsibility Committee meeting was held on 10<sup>th</sup> November, 2016.

The composition of Corporate Social Responsibility and the details of meetings attended by the members are given below:

Name of the Directors	Category	Meeting held during the year/tenure	Meeting attended
Mr. Manindra Nath Banerjee (Chairman)	Independent Director	1	1
Mr. Sajan Kumar Bansal	Managing Director	1	1
Mr. Devesh Bansal	Executive Director	1	1

The Company Secretary acts as secretary to the Committee.

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### 9. RISK MANAGEMENT COMMITTEE

The Company had voluntarily constituted a Risk Management Committee to review and implement the risk management policy of the Company.

During the year under review, one Risk Management Committee meeting was held on 8<sup>th</sup> February, 2017. The composition of Risk Management Committee and the details of meetings attended by the members are given below:

Name of the Directors	Category	Meeting held during the year/tenure	Meeting attended
Mr. Sajan Kumar Bansal (Chairman)	Managing Director	1	1
Mr. Sharan Bansal	Executive Director	1	1
Mr. Manindra Nath Banerjee	Independent Director	1	1

The Board of Directors at its meeting held on 8<sup>th</sup> February, 2017 had decided to dissolve the Risk Management Committee. The Audit Committee of the Company will henceforth overview & implement the Risk Management Policy of the Company.

### 10. FINANCE COMMITTEE

The Board of Directors has constituted a Finance Committee inter-alia to take care of day to day financial matters of the Company including availment of credit facilities as may be required in course of business of the Company.

This Committee is a non-statutory committee which is governed by the Terms of Reference as laid down by the Board of Directors of the Company.

During the year under review, eleven Finance Committee meetings were held.

The composition of Finance Committee and the details of meetings attended by the members are given below:

Name of the Members	Category	Meeting held during the year/tenure	Meeting attended
Mr. Sajan Kumar Bansal (Chairman)	Managing Director	11	11
Mr. Sharan Bansal	Executive Director	11	9
Mr. Devesh Bansal	Executive Director	11	10
Mr. Sanjay Kumar Agrawal *	Chief Financial Officer	11	11

\* Ceased to be a members w.e.f 15<sup>th</sup> May, 2017

\*\* Mr. Siddharth Bansal has been inducted as a member w.e.f 15<sup>th</sup> May, 2017

### 11. EXECUTIVE COMMITTEE

The Board of Directors has constituted an Executive Committee to oversee day to day business and affairs of the Company and ensure good governance practices in the Company.

This Committee is a non-statutory committee which is governed by the Terms of Reference as laid down by the Board of Directors of the Company.

During the year under review, nine Executive Committee meetings were held.

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The composition of Executive Committee and the details of meetings attended by the members are given below:

Name of the Members	Category	Meeting held during the year/tenure	Meeting attended
Mr. Sajan Kumar Bansal (Chairman)	Managing Director	9	9
Mr. Sharan Bansal	Executive Director	9	9
Mr. Sanjay Kumar Agrawal	Chief Financial Officer	9	9

### 12. CODE OF CONDUCT

The Code of Conduct for Directors and Senior Management Executives (“the Code”), as adopted by the Board, is a comprehensive Code applicable to all Directors and Senior Management Personnel. The copy of the Code has been displayed on the Company’s website <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/Codes-Policies.pdf> The Code has been duly circulated to all the members of the Board and Senior Management Personnel and the compliance of the same is affirmed by them annually. A declaration to this effect signed by the Managing Director of the Company is given here under:

I hereby confirm that:

All Board members and Senior Management Personnel have affirmed their compliance of the Code of Conduct for Directors & Senior Management Executives for the period from 1<sup>st</sup> April, 2016 to 31<sup>st</sup> March, 2017.

Place: Kolkata  
Date: 15<sup>th</sup> May, 2017

**Sajan Kumar Bansal**  
Managing Director

### 13. GENERAL BODY MEETINGS

The particulars of last three Annual General Meetings of the Company along with the details of special resolution passed are as under

Period	Location	Date of AGM	Time	Special Resolution passed
2015-16	Shripati Singhania Hall, Rotary Sadan, 94/2 Jawaharlal Nehru Road, Kolkata- 700 020, West Bengal	08.08.2016	3:30 P.M	Nil
2014-15	Shripati Singhania Hall, Rotary Sadan, 94/2 Jawaharlal Nehru Road, Kolkata- 700 020, West Bengal	23.09.2015	3:30 P.M	Nil
2013-14	Merchants’ Chamber of Commerce & Industry (MCCI), 15B, Hemanta Basu Sarani, Kolkata- 700 001	23.09.2014	11:00 A.M	<ol style="list-style-type: none"> <li>1. Payment of remuneration by way of commission to non-executive directors not exceeding in aggregate one percent of the net profit of the Company for each financial year.</li> <li>2. Approval pursuant to Section 180(1)(c) of the Companies Act, 2013.</li> <li>3. Approval pursuant to Section 180(1)(a) of the Companies Act, 2013.</li> <li>4. Adoption of revised Articles of Association of the Company.</li> </ol>

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

During the year no Extra Ordinary General Meeting was convened nor any approval of the shareholders were obtained through Postal Ballot.

None of the business proposed to be transacted at the ensuing Annual General Meeting requires passing of resolution through Postal Ballot.

### 14. CODE FOR PREVENTION OF INSIDER TRADING

As per the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted 'Code of Conduct for Prevention of Insider Trading' as well as 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'. A copy of the Code is accessible on the Company's website at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/code-of-practices-information.pdf>

### 15. MEANS OF COMMUNICATION

The quarterly/halfyearly/annual financial results of the Company are communicated to the Stock Exchanges immediately after they are considered and approved by the Board of Directors and are published in prominent newspapers usually in 'The Economic Times/ 'Business Standard'/ 'Financial Express' in English and in 'Arthik Lipi' in Bengali. These results are also made available on the website of the Company at <http://www.skipperlimited.com/investor-relations/financial-results.aspx>.

The website of the Company also displays intimations which are made to the stock exchanges including official press releases, investor's presentations, transcripts of con call etc. The Company has designated the following e-mail ID exclusively for investor services: [investor.relations@skipperlimited.com](mailto:investor.relations@skipperlimited.com).

Annual Report containing, inter alia, Director's Report, Auditor's Report, Audited Annual Accounts and other important information is circulated to members and others entitled thereto and displayed on the Company's website.

### 16. CEO & CFO CERTIFICATION

A Certificate of the Managing Director and the CFO of the Company in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 confirming the correctness of the financial statements and cash flow statements, adequacy of internal control measures and reporting of matters to the Audit Committee has been annexed in this Report.

### 17. GENERAL SHAREHOLDER INFORMATION

(i) The details of ensuing Annual General Meeting (AGM), book closure date and dividend payment date is provided in the notice to the shareholders.

(ii) The financial year of the Company is from 1<sup>st</sup> April to 31<sup>st</sup> March.

(iii) Listing on Stock Exchanges:

Name of Stock Exchange	Address	Stock Code/ Symbol
BSE Limited (BSE)	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	538562
National Stock Exchange of India Limited (NSE)	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	SKIPPER

The Company has paid the annual listing fees for the financial year 2017-18 to the respective stock exchanges within the prescribed time limit.

The International Security Identification Number (ISIN) of the Company is INE439E01022.

(iv) The Company has paid the annual custody/issuer fees for the financial year 2017-18 to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

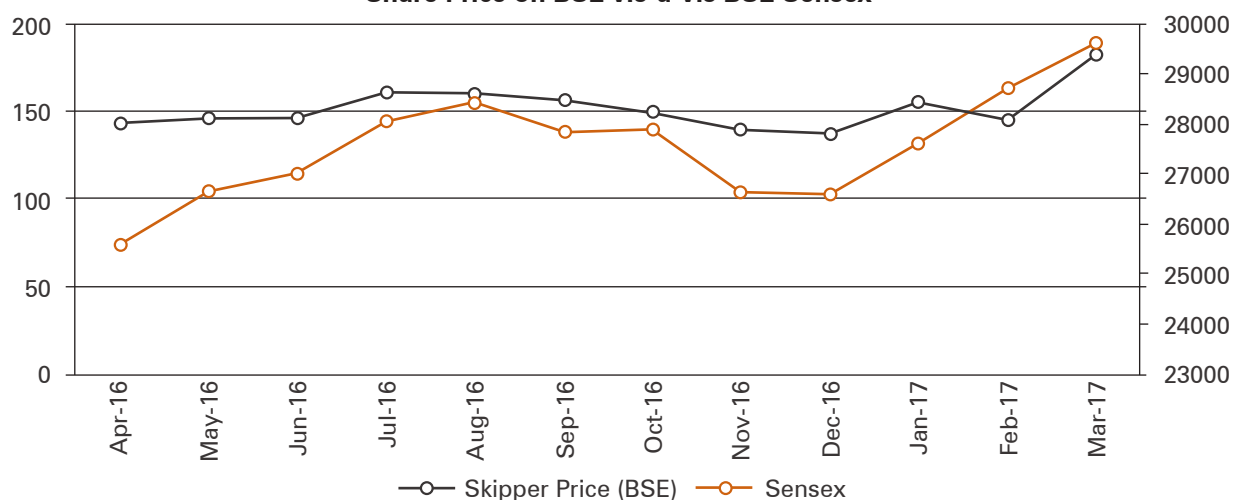
(v) Market Price Data and Performance of Company's Share Prices:

The details of monthly high/low/closing price data as well as volume of shares traded of the Company at BSE and NSE for the financial year 2016-17 are given below:

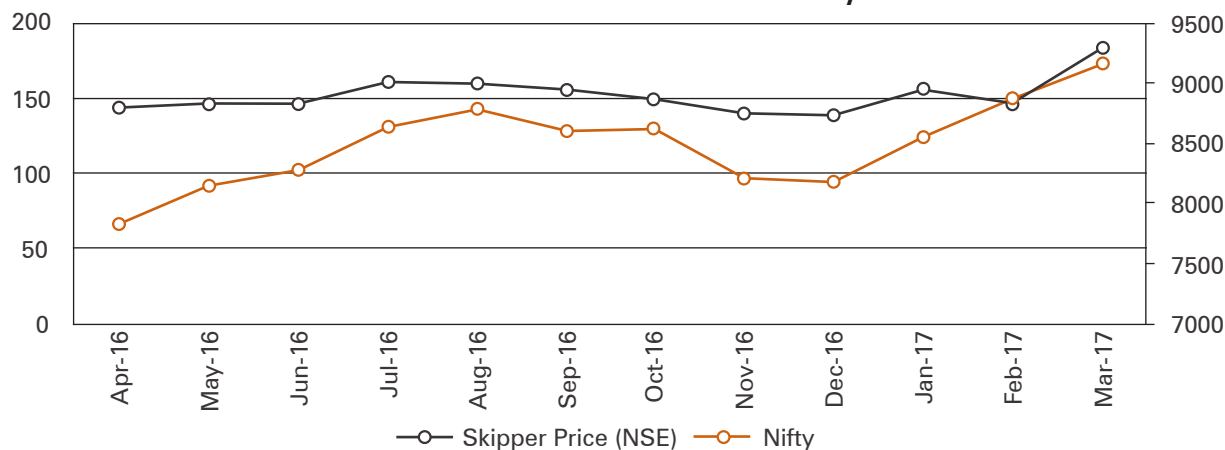
Month	BSE					NSE				
	High Price	Low Price	Closing Price	Volume	BSE Sensex Closing	High Price	Low Price	Closing Price	Volume	NSE Nifty Closing
April, 2016	161.90	134.30	144.10	627,410	25,606.62	161.50	134.00	144.00	2,491,777	7,849.80
May, 2016	151.00	137.00	146.75	527,039	26,667.96	151.15	136.80	146.75	2,282,699	8,160.10
June, 2016	152.20	134.75	146.95	455,993	26,999.72	153.50	134.00	147.50	1,397,927	8,287.75
July, 2016	167.50	148.50	161.15	615,074	28,051.86	167.50	147.90	161.35	3,167,217	8,638.50
August, 2016	168.50	151.45	160.35	1,471,239	28,452.17	168.30	150.20	160.35	3,431,074	8,786.20
September, 2016	168.00	148.00	156.60	428,112	27,865.96	168.60	148.00	156.45	1,311,498	8,611.15
October, 2016	159.80	146.20	150.95	922,757	27,930.21	159.00	145.50	150.15	2,022,416	8,625.70
November, 2016	150.80	125.25	140.40	164,146	26,652.81	151.40	126.50	140.70	785,796	8,224.50
December, 2016	142.10	127.80	138.55	58,965	26,626.46	142.00	126.15	138.75	318,779	8,185.80
January, 2017	162.90	133.00	155.80	3,216,586	27,655.96	163.70	132.60	155.90	6,550,419	8,561.30
February, 2017	162.00	144.90	145.90	216,582	28,743.32	163.00	145.00	146.60	882,694	8,879.60
March, 2017	187.00	140.00	183.10	657,298	29,620.50	188.00	141.00	183.85	4,003,355	9,173.75

[Source: This information is compiled from the data available from the website of BSE & NSE]

**Share Price on BSE vis-a-vis BSE Sensex**



**Share Price on NSE vis-a-vis NSE Nifty**



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

(vi) Registrar and Share Transfer Agents:  
M/s. ABS Consultant Private Limited  
Stephen House, Room No. 99, 6th Floor,  
4 B.B.D Bag (East), Kolkata -700 001  
Telephone No.: +91 33 2230 1043  
Fax No.: +91 33 2243 0153  
E-mail: absconsultant@vsnl.net

(vii) Share Transfer System:

The activities and compliance related to share transfer is managed by M/s. ABS Consultant Private Limited, Registrar & Transfer Agent (RTA) of the Company. The Company's registrar transfers the shares within 15 days of receipt of request if all the documents are in order. Dematerialization or Rematerialization requests are processed within 15 days of receipt of request.

A summary of the transfer, transmissions, dematerialization, re-materialization, etc. is placed before the Board at each meeting. The Company obtains a half yearly certificate from a Practicing Company Secretary on compliance regarding share transfer formalities and submits a copy thereof to the Stock Exchanges in terms of Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(viii) Distribution of shareholding as on 31st March, 2017:

Category	No. of shareholders		No. of shares	
	Total	%	Total	%
1-500	7,773	85.68	855,881	0.84
501-1000	586	6.46	472,498	0.46
1001-2000	312	3.44	470,021	0.46
2001-3000	99	1.09	256,659	0.25
3001-4000	51	0.56	182,822	0.18
4001-5000	46	0.51	217,053	0.21
5001-10000	65	0.72	473,966	0.46
10001-50000	84	0.92	1,889,404	1.85
50001-100000	15	0.17	1,138,761	1.11
100001 & above	41	0.45	96,359,397	94.18
<b>Total</b>	<b>9072</b>	<b>100.00</b>	<b>102,316,462</b>	<b>100.00</b>

(ix) Distribution of Shareholding by category as on 31st March, 2017:

Category	No. of shares	% of share capital
Promoters	72,044,162	70.41
FII/ MF/ FPI/ AIF	12,676,726	12.39
Body Corporate/NBFC/Trust	11,503,978	11.24
NRI	509,866	0.50
Indian Public	5,581,730	5.46
<b>Total</b>	<b>102,316,462</b>	<b>100.00</b>

(x) Dematerialization of shares and liquidity as on 31st March, 2017:

A total of 99.9% of the Company's equity shares are held in dematerialized form and the remaining in physical form as on 31st March, 2017.

## REPORT ON CORPORATE GOVERNANCE (CONTD.)

The bifurcation of shares held in physical and in demat form as on 31st March, 2017 is given below:

Nature of holding	No. of Shares	Percentage (%)
Demat	102,305,461	99.99
- NSDL	96,981,166	94.79
- CDSL	5,324,295	5.20
Physical	11,001	0.01
<b>Total</b>	<b>102,316,462</b>	<b>100.00</b>

- (xi) The Company has not issued Global Depository Receipts (GDR)/ American Depository Receipts (ADR)/ Warrants or any other convertible instruments.
- (xii) During the year the Company has managed foreign exchange risk and hedged foreign exchange to the extent considered necessary. Most of the engineering product contracts of the Company are having price escalation and de-escalation clause, thereby the impact of commodity price fluctuation is minimal to the Company. All the export orders are duly hedged by way of forward cover from the banks. In case of imports and foreign currency loan the Company does hedging on selective basis since the volume of export is much more, thereby the balance are getting hedged by way of natural hedging.
- (xiii) Plant Locations:

### SL Unit - 1

Jalan Complex, NH-6, Village: Jangalpur,  
Post: Andul Mouri, Howrah, West Bengal-  
711302

### BCTL Unit

Jalan Complex, NH-6, Village: Jangalpur,  
Post: Andul Mouri, Howrah, West Bengal- 711 302

### Uluberia Unit

NH-6, Village: Madhabpur, Mahisrekha,  
Post: Uluberia, Howrah, West Bengal- 711  
303

### Ahmedabad Unit

Survey No.: 823,  
Ahmedabad-Rajkot Highway, Rajoda, Bavla  
Ahmedabad, Gujarat- 382220

### Guwahati Unit - 1

Lohia Industrial Estate,  
659, O, Kahi Kuch Gaon  
Mouza: Dakhin Rani  
District- Kamrup, Assam- 781 017

### Guwahati Unit – 2

Village- Parley  
Mouza- Chayani  
Revenue Circle- Palashbari  
District- Kamrup Rural, Assam

### Sikandrabad Unit

Plot No.: 5, UPSIDC Industrial Area, G.T. Road  
No. 91,  
Sikandrabad, Bulandsahar, Uttar Pradesh-  
203206

### Hyderabad Unit

Survey No.: 296/7/8/9,  
IDA Bollaram, Jinnaram,  
Medak, Telengana- 502 325

- (xiv) Address for Correspondence:  
The Company Secretary & Compliance Officer  
Skipper Limited  
3A, Loudon Street, Kolkata- 700 017  
Telephone No.: +91 33 2289 2327/5731/5732  
Fax No.: +91 33 2289 5733  
E-mail: investor.relations@skipperlimited.com  
Website: www.skipperlimited.com

## 18. DISCLOSURES

- (i) There were no materially significant related party transaction, which may have potential conflict with the interest of the Company. All related party transactions have been entered on arm's length basis and in the Company's interest. All the related party transactions have been reported in Notes on Accounts as per Accounting Standard (AS-18) in the financial statements for the year 2016-17 contained in this Annual Report. The related party transaction policy which includes the policy on the materiality of related party



## REPORT ON CORPORATE GOVERNANCE (CONTD.)

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transactions and on dealing with related party transactions of the Company can be assessed at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/RELATED-PARTY-TRANSACTIONS-POLICY.pdf>

- (ii) There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter relating to the capital markets during the last three years.
- (iii) The Company has framed a Vigil Mechanism/ Whistle Blower Policy as required under Section 177 of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. which is being reviewed by the Audit Committee of the Board. During the year, there was no reporting under the Vigil Mechanism/ Whistle Blower of the Company and no personnel was denied access to the Audit Committee.
- (iv) The Company has complied with all relevant Accounting Standards referred to in Section 133 of the Companies Act, 2013 while preparing the financial statements.
- (v) The Company does not have any subsidiary and hence it has not formulated a policy for determining 'material' subsidiary.
- (vi) The Company has complied with all the mandatory requirements of corporate governance. The Company has also complied with the requirements of the Secretarial Standards on Board Meetings and General Meetings.
- (vii) The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and clause (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
- (viii) Management Discussion and Analysis Report forms part of the Director's Report and the same is annexed separately in this Annual Report.
- (ix) The Company does not have any shares in demat suspense account or unclaimed suspense account.

### **19. STATUS OF COMPLIANCE WITH NON STATUTORY RECOMMENDATIONS AS SPECIFIED IN PART E OF SCHEDULE II OF SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.**

- (i) The Non Executive Chairman doesn't maintain a separate office.
- (ii) As the quarterly and half yearly financial performance are submitted to Stock Exchanges, published in newspapers and posted on the Company's website, these are not sent to the shareholders separately.
- (iii) The Company's financial statements for financial year 2016-17 does not contain any modified audit opinion.
- (iv) The Chairman of the Board is a Non Executive Director and his position is separate from that of the Managing Director.
- (v) The Internal Auditor report directly to the Audit Committee.

For and on behalf of the Board of Directors

Place: Kolkata  
Date: 15<sup>th</sup> May, 2017

**Sajan Kumar Bansal**  
Managing Director  
DIN: 00063555

**Sharan Bansal**  
Director  
DIN: 00063481