

# Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange)

## 1. Company's philosophy on Code of Governance

Corporate Governance is a set of systems and practices which ensures that the affairs of the Company are being managed in a way which ensures integrity, fairness, equity, transparency, accountability and commitment to values. However, the Company's focus has always been on adopting the good governance practices. The Corporate Governance demands an improved level of competency among the executives to meet the expectations in managing the enterprises and its resources effectively in an ethical and transparent manner. The company promotes the values in its relationships with employees, shareholders, creditors, consumers and other stakeholders. Corporate Governance is a journey for constantly improving sustainable value creation and its upward moving target. The Company believes that good corporate governance is pre-requisite for achieving the highest standards of ethics in the overall interest of all the stakeholders.

## 2. Board Composition and Particulars of Directors

### a) Board Composition

The Board comprises of eight Directors of which three are independent directors. The composition of the Board is in conformity with the provisions of the Corporate Governance Code of the Listing Agreement. The composition of the Board and category of Directors are as follows:

Sl	Name	Designation	Whether promoter	Whether Executive	Whether Independent
1.	Mr. Sadhu Ram Bansal	Emeritus Chairman	Yes	No	No
2.	Mr. Amit Kiran Deb	Chairman	No	No	Yes
3.	Mr. Sajan Kumar Bansal	Managing Director	Yes	Yes	No
4.	Mr. Sharan Bansal	Wholetime Director	Yes	Yes	No
5.	Mr. Devesh Bansal	Wholetime Director	Yes	Yes	No
6.	Mr. Siddharth Bansal	Wholetime Director	Yes	Yes	No
7.	Mr. Manindra Nath Banerjee	Director	No	No	Yes
8..	Mr. Shyam Bahadur Singh	Director	No	No	Yes

All the Independent Directors of the Company furnish a declaration at the time of their appointment as also annually that they qualify the conditions of their being independent as laid down under Clause 49. All such declarations are placed before the Board.

Mr. Sadhu Ram Bansal is the father of Mr. Sajan Kumar Bansal and Mr. Sajan Kumar Bansal is the father of Mr. Sharan Bansal, Mr. Devesh Bansal and Mr. Siddharth Bansal. Apart from this, no Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 1956.

- b) Details of positions held by the Directors as directors of other Public Limited companies, Committee Membership and Committee Chairmanship is as under:

Sl No	Name of the Director	No. of other directorships and other committee memberships/chairmanships held		
		Directorships*	Committee Memberships	Committee Chairmanships
1.	Mr. Sadhu Ram Bansal	2	Nil	Nil
2.	Mr. Amit Kiran Deb	2	4	1
3..	Mr. Sajjan Kumar Bansal	8	Nil	Nil
4.	Mr. Sharan Bansal	4	Nil	Nil
5.	Mr. Devesh Bansal	6	Nil	Nil
6.	Mr. Siddharth Bansal	2	Nil	Nil
7.	Mr. Manindra Nath Banerjee	2	2	1
8.	Mr. Shyam Bahadur Singh	2	2	Nil

Note:

\*includes private companies which are subsidiaries of public companies, but excludes private, foreign, unlimited liability companies and companies registered under Section 25 of the Companies Act, 1956.

- c) Number and dates of Board Meeting held during the year

During the year Sixteen Board Meetings were held. The dates on which the meetings were held are: 29<sup>th</sup> May, 2013, 6<sup>th</sup> August, 2013, 13<sup>th</sup> August, 2013, 20<sup>th</sup> August, 2013, 26<sup>th</sup> August, 2013, 19<sup>th</sup> September, 2013, 9<sup>th</sup> November, 2013, 26<sup>th</sup> November, 2013, 4<sup>th</sup> December, 2013, 18<sup>th</sup> December, 2013, 28<sup>th</sup> December, 2013, 30<sup>th</sup> December, 2013, 6<sup>th</sup> January, 2014, 11<sup>th</sup> February, 2014, 27<sup>th</sup> February, 2014, 5<sup>th</sup> March, 2014 and 14<sup>th</sup> March, 2014

Attendance at the above Board Meetings and at the last Annual General Meeting (AGM) is as under:

Sl No.	Name of the Director	Number of Board Meetings held	Attendance Particulars	
			Board Meetings	AGM
1.	Mr. Sadhu Ram Bansal	17	6	Yes
2.	Mr. Amit Kiran Deb	17	17	Yes
3.	Mr. Sajjan Kumar Bansal	17	17	Yes
4.	Mr. Sharan Bansal	17	10	Yes
5.	Mr. Devesh Bansal	17	11	Yes
6.	Mr. Siddharth Bansal	17	11	Yes
7.	Mr. Manindra Nath Banerjee	17	5	Yes
8.	Mr. Shyam Bahadur Singh	17	2	Yes

**d) Brief details of Directors seeking appointment/re-appointment**

The brief details of directors retiring by rotation and seeking re-appointment are appended to the Notice convening the ensuing Annual General Meeting.

**e) Changes in the composition**

There has been no change in the Board of Directors since the last annual General meeting.

**3. Audit Committee**

The constitution of the Audit Committee and attendance of each member of the Committee is given below:

Name of the director	Designation	Committee Meetings held	Committee Meetings Attended
Mr. Manindra Nath Banerjee	Chairman	Four	Four
Mr. Shyam Bahadur Singh	Member	Four	Two
Mr. Sharan Bansal	Member	Four	Three

All the members of the committee are financially literate and the composition of the Audit Committee meets the requirement of Section 292A of the Companies Act, 1956 read with Clause 49 of the Listing Agreement.

The Company Secretary acts as secretary to the committee

**4. Remuneration Committee**

**a) Remuneration Policy**

Remuneration Committee is a non-mandatory requirement and has not been formed. The Board of Directors fixed the remuneration of the Executive Directors which is approved by the shareholders.

**b) Details of remuneration paid to Directors**

The details of remuneration paid to executive directors for the year is as under:

Sl No.	Name of the Director	Designation	Remuneration (Rs.)
1.	Mr. Sajan Kumar Bansal	Managing Director	11,00,000
2.	Mr. Sharan Bansal	Wholetime Director	6,30,000
3.	Mr. Devesh Bansal	Wholetime Director	6,30,000
4.	Mr. Siddharth Bansal	Wholetime Director	3,40,000

The appointment of the executive directors is governed by the Articles of Association of the Company and the resolutions passed by the Board of Directors and the members of the Company.

The salient features of terms of appointment are:

Particulars	Name of the Director	Terms
Period of appointment	Mr. Sajjan Kumar Bansal	Upto 30 September, 2016
	Mr. Sharan Bansal	Upto 30 June, 2017
	Mr. Devesh Bansal	Upto 31 March, 2016
	Mr. Siddharth Bansal	Upto 31st March, 2016
Salary Scale	Mr. Sajjan Kumar Bansal	Rs. 11.00 lacs per month subject to 10% increase in every year
	Mr. Sharan Bansal	Rs. 6.30 lacs per month subject to 10% increase in every year
	Mr. Devesh Bansal	Rs. 6.30 lacs per month subject to 10% increase in every year
	Mr. Siddharth Bansal	Rs. 3.40 Lacs per month subject to 10% increase in every year
Minimum remuneration in case of inadequacy of profit in any financial year	The remuneration shall not exceed the limits prescribed from time to time under sections 198, 309, 310 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII of the said Act.	
Notice period on either side	Three months' prior notice in writing to the other	
Severance fees for termination of employment	Nil	
Stock Options	Nil	

### Non Executive Director

The Company has paid remuneration amounting to Rs. 6,00,000 /- to Mr. Amit Kiran Deb non-executive independent Chairman for which necessary approvals have been obtained from the Ministry of Corporate Affairs in terms of Section 309(4) of the Companies Act, 1956. The details of sitting fees paid to non executive directors and their shareholding as per details given below:

Name of Director	Amount of Sitting Fees	No. of Shares held
Mr. Manindra Nath Banerjee	Rs.60,000	Nil
Mr. Shyam Bahadur Singh	Rs.30,000	Nil
Mr. Amit Kiran Deb	Nil	Nil

### 5. Shareholders/Investors Grievance Committee

The Board has constituted Shareholders/Investors Grievance Committee under the Chairmanship of a non-executive director to specifically look into the redressal of shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc. The Board has delegated the process of share transfers to Mr. Arbind Kumar Jain. During the year Mr. Jain attended the share transfer formalities on a fortnightly basis and same was ratified at the immediately succeeding meeting of the Committee.

The constitution of the Committee and attendance of each member of the Committee is given below:

Name of the director	Designation	Committee Meetings held	Committee Meetings Attended
Mr. Manindra Nath Banerjee	Chairman	Two	Two
Mr. Sharan Bansal	Member	Two	Two

Mr. Arbind Kumar Jain, Company Secretary is Compliance Officer of the Company for this committee.

During the year under review, no complaints were received from the shareholders. The complaints pending at the beginning and at the closing of the year were nil.

## 6. Management Discussion and Analysis

The information is given in a separate section and is included in the Annual Report.

## 7. General Body Meetings

Particulars of last three Annual General Meetings along with number of special resolutions passed are as under:

Year Ended	Location	Date	Time	No. of special resolutions passed
31.03.2011	3A. Loudon Street, Kolkata-700017	28.06.2011	11.00 AM	2
31.03.2012	3A. Loudon Street, Kolkata-700017	25.09.2012	11.00 AM	Nil
31.03.2013	3A. Loudon Street, Kolkata-700017	21.09.2013	11.00 AM	1

During the year under review, no resolution was passed through ballot paper exercise.

## 8. Disclosure on materially significant related party transaction

The Company does not have any related party transaction, which may have potential conflict with the interest of the Company. Other related party transactions have been reported in Notes on Accounts in the financial statements for the year. The Register of Contracts containing transactions, in which the Directors are interested, is placed before the Board regularly.

## 9. Code of conduct

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The copy of the Code has been put on the Company's website [www.skipperlimited.com](http://www.skipperlimited.com). The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A declaration to this effect signed by the CEO of the company is given hereunder:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2012-13.

Sajan Kumar Bansal  
Managing Director and CEO

## 10. Disclosure of Accounting Treatment

The Company has followed the prescribed Accounting Standards in preparation of financial statements. The accounting treatment has been disclosed in the Notes to accounts to these financial statements.

## 11. Risk Management

The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management control risks through means of properly defined framework.

## 12. Proceeds from public issues, right issues, preferential issues etc.

The Company has not issued any share during the year on preferential basis

## 13. CEO/CFO certification

CEO/CFO certificate is separately enclosed to the Report

## 14. Details of non-compliances

There has been no instance of non-compliance by the Company on any matter relating to capital market.

## 15. Means of communication

Quarterly results of the Company are communicated to the Stock Exchanges immediately after having been considered by the Board. The results for the year under review were published in English in the 'Business Standard' and in Bengali in 'Dainik Lipi/Arthik Lipi'.

## 16. General Shareholder Information

### Listing on stock exchanges

Name of stock exchange	Address	Stock code
The Calcutta Stock Exchange Limited	7, Lyons Range Kolkata-700 001	1029348
U P Stock Exchange Limited	Padam Towers, 14/113, Civil Lines, Kanpur-208 001	S00010
BSE Limited	P J towers, Dalal Street, Mumbai – 400 001	538562

The Company has paid listing fees to the respective stock exchanges up to financial year 2014-15

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

## Market Price Data

During the financial year ended 31<sup>st</sup> March, 2014, the shares of the Company were traded at the Calcutta Stock Exchange Limited in the month of April, 2013 only, hence, the monthly high/low market price of the shares are not available. The last traded price of the shares at the Calcutta Stock Exchange Limited is Rs. 20/-

## Registrar and Share Transfer Agents

ABS Consultants Private Limited are acting as the Registrars of the Company for both physical and dematerialized form of shares. Their address is given as under:

ABS Consultants Private Limited  
Stephen House, Room No. 99, 6<sup>th</sup> floor,  
4, B B D Bag (East), Kolkata-700 001  
Telephone No.: +91 33 2220 1043  
Fax No. +91 33 2243 0153  
Email: absconsultant@vsnl.net

## Share Transfer System

The Shareholders/Investors Grievance Committee approves transfer of shares in physical mode. The Company's Registrar transfers the shares within 15 days of receipt of request. Dematerialization is done within 15 days of receipt of request along with the shares through the Depository Participant of the shareholder.

## Distribution of shareholding as at 31<sup>st</sup> March, 2014

Category	No. of shareholders		No. of shares	
	Total	%	Total	%
1-500	493	87.72	36,800	0.036
501-1000	Nil	Nil	Nil	Nil
1001-2000	Nil	Nil	Nil	Nil
2001-3000	1	0.18	2500	0.002
3001-4000	Nil	Nil	Nil	Nil
4001-5000	Nil	Nil	Nil	Nil
5001-10000	Nil	Nil	Nil	Nil
10001 and above	68	12.10	10,22,77,162	99.96
Total	562	100.00	10,23,16,462	100.00

## Shareholding pattern

Category	As at 31 <sup>st</sup> March, 2014	
	No. of shares	% of share capital
Promoters	74,055,462	72.38
Private Corporate Bodies	21,466,470	20.98
Indian Public	6,794,530	6.64
Total	10,23,16,462	100.00

## Shareholdings of directors as at 31<sup>st</sup> March, 2014

Name of director	No. of shares held	% of share capital
Mr. Sadhu Ram Bansal	3,660,489	3.58
Mr. Amit Kiran Deb	Nil	Nil
Mr. Sajan Kumar Bansal	8,249,096	8.06
Mr. Sharan Bansal	3,997,100	4.10
Mr. Devesh Bansal	3,122,175	3.05

Mr. Siddharth Bansal	8,068,725	7.89
Mr. Manindra Nath Banerjee	Nil	Nil
Mr. Shyam Bahadur Singh	Nil	Nil

### Dematerialization of shares and liquidity

As at 31<sup>st</sup> March, 2014, majority of the shares of the Company were held in dematerialized form.

### Plant Locations

**a) SL unit**

Jalan Industrial Complex  
N H- VI, Village: Jangalpur, Post: Andul Mouri  
Howrah-711 302 (West Bengal)

**b) BCTL Unit**

Jalan Industrial Complex  
N H- VI, Village: Jangalpur, Post: Andul Mouri  
Howrah-711 302 (West Bengal)

**c) Uluberia Unit**

N H- VI, Village: Madhabpur, Post: Mahishrekha  
Howrah-711 303 (West Bengal)

### Address for correspondence

The Company Secretary  
Skipper Limited  
3A, Loudon Street, Kolkata- 700 017  
Telephone: +91 33 2289 2327/5731  
Fax: +91 33 2289 5733  
Email: [arbind.jain@skipperlimited.com](mailto:arbind.jain@skipperlimited.com)  
Website: [www.skipperlimited.com](http://www.skipperlimited.com)

For and on behalf of the Board of Directors

SD/-

SD/-

Sajan Kumar Bansal  
Managing Director

Sharan Bansal  
Director

Place: Kolkata  
Date: 30<sup>th</sup> day of July, 2014