

Dated: 12th September, 2017

The Manager
National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai- 400 051

The Manager
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street
Mumbai- 400 001

NSE Scrip Name- SKIPPER / BSE Scrip Code- 538562

Sub: Submission of approved Annual Report 2016-17.

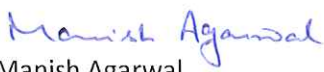
Dear Sir,

In accordance with Regulation 34(1) of SEBI (Listing Obligations & Disclosure Requirement) Regulations, 2015, we hereby submit the Company's Annual Report for FY 2016-17 as approved and adopted in the 36th Annual General Meeting of the Company held on 5th September, 2017.

We request you to kindly take the same on record.

Thanking you,

Yours faithfully,
For Skipper Limited


Manish Agarwal
Company Secretary



India's Momentum. Our Moment.

#1 Largest manufacturer of T&D structures in India and among top 10 globally.

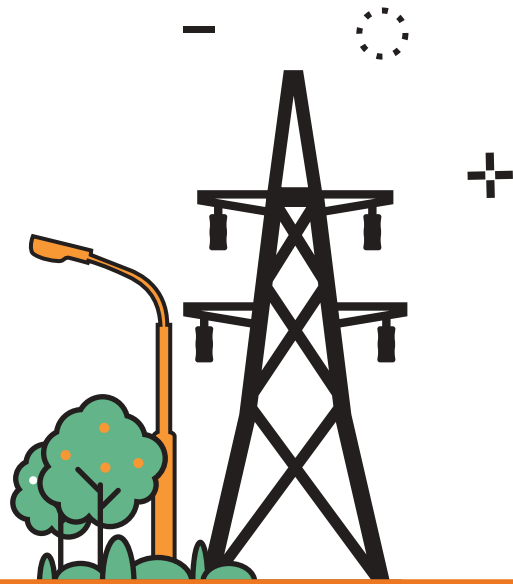
 Fastest growing Polymer Pipes & Fittings company in the country.

India's Momentum.

As the Indian market gathers momentum, the country's power and water transmission sector witnesses an unparalleled turnaround.

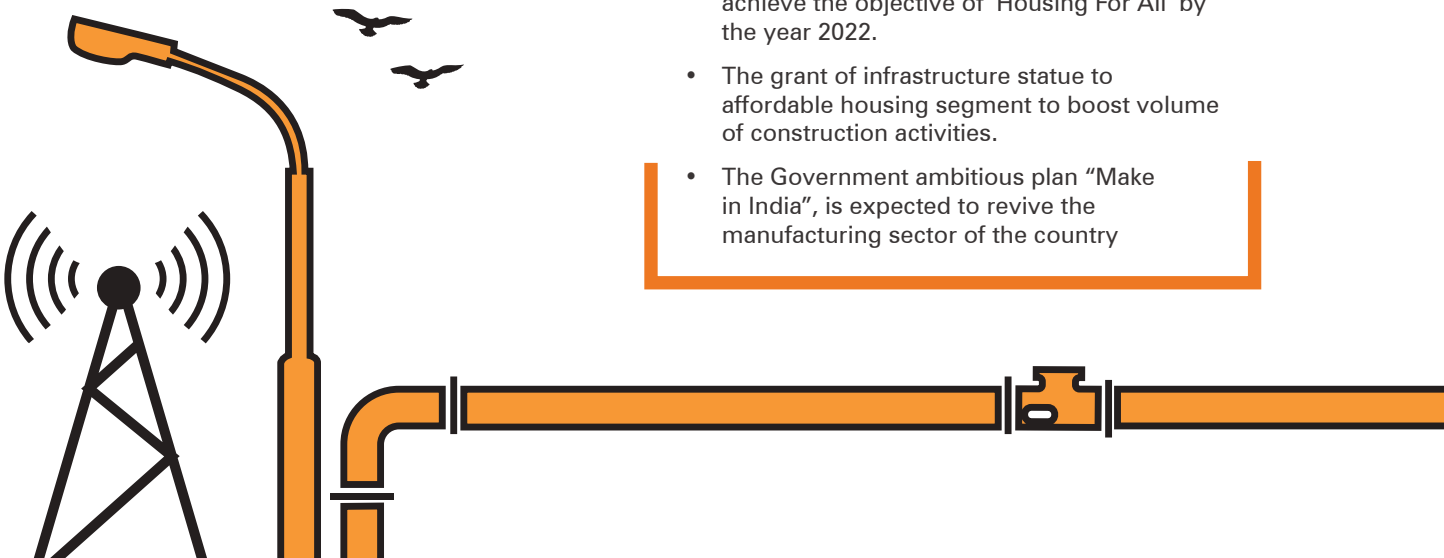
Policy makers have realised that India's rapid economic growth has increased the burden on its infrastructure, forcing them to concentrate on accelerating the development of key segments, namely power and water. As a result, the domestic power and water transmission sectors are witnessing transformational changes, with progressive policy-level interventions and the effective implementation of directives.

Globally, due to higher levels of economic growth, complemented by an anticipated shift towards renewable energy over the next few years, developing countries are likely to see a rapid increase in their power transmission needs. In India the shift is expected to be radical, with the government's target to install 175 GW of renewable capacity by 2022. This will take the share of renewable energy in power generation up from current 15% to 33% by FY22.

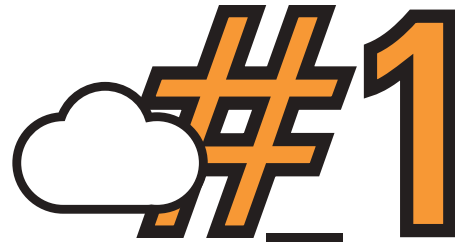


The market has picked up momentum, as the following government policies and actions are propelling growth for power and water transmission.

- The government's impetus on '24/7 Power for All by 2019' with a focus to achieve the electrification of all 18,452 un-electrified villages in India.
- The government's target to instal 175 gigawatts (GW) of green energy by 2022.
- The Ujjwal Discom Assurance Yojna (UDAY) scheme to turnaround the health of the state distribution entities, considered as the weakest link in the entire chain of power sector reforms.
- An increase in government spending on rural infrastructure, including irrigation, totaling ₹ 1.87 trillion. A 10% hike in farm credit target to ₹ 10 lac crore will improve credit flow in the agriculture sector.
- Swachh Bharat Gramin Mission to accelerate rural sanitation coverage across the country.
- Over 2.95 crore houses, to be constructed to achieve the objective of 'Housing For All' by the year 2022.
- The grant of infrastructure statue to affordable housing segment to boost volume of construction activities.
- The Government ambitious plan "Make in India", is expected to revive the manufacturing sector of the country



Our Moment.

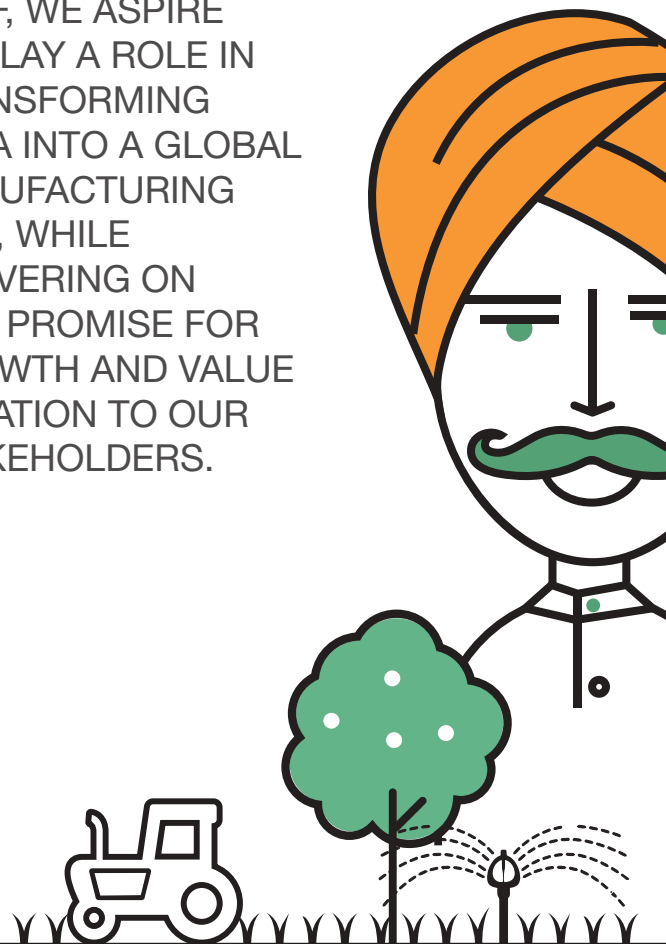


With this uptick in India's infrastructure needs, we recognise that our proficiency and experience for providing solutions in the power and water transmission sectors makes it OUR MOMENT to embody our true growth potential.

Our products cater to a growing economy's basic requirements – Power and Water. We believe that the need for our products and services will only remain to be compelling. At Skipper, we have created a strong foundation that will enable us to tap into these growth opportunities. We ensure that we are in the best position to continuously capitalise on newer opportunities, in innovative ways.

At Skipper, we envisaged this growth in opportunity ahead of time. Resultantly, over the years, we garnered a top-notch manufacturing prowess, with large productive capabilities involving advanced manufacturing techniques. We are constantly in pursuit of innovation, and have dedicated our resources to expanding our cutting-edge products and value-added propositions. We also believe that our substantial investments into engineering and production infrastructure will be the key contributors to our rise as a manufacturing powerhouse. Today, we are ready to meet India's growing needs for power and water transmission.

RIDING THE WAVE ON OUR OWN HOME TURF, WE ASPIRE TO PLAY A ROLE IN TRANSFORMING INDIA INTO A GLOBAL MANUFACTURING HUB, WHILE DELIVERING ON OUR PROMISE FOR GROWTH AND VALUE CREATION TO OUR STAKEHOLDERS.



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FINANCIAL STATEMENTS



BOARD OF DIRECTORS

Chairman (Independent)

Mr. Amit Kiran Deb

Managing Director

Mr. Sajan Kumar Bansal

Wholetime Directors

Mr. Sharan Bansal

Mr. Devesh Bansal

Mr. Siddharth Bansal

Independent Directors

Mr. Manindra Nath Banerjee

Mr. Joginder Pal Dua

Mrs. Mamta Binani

Chief Financial Officer

Mr. Sanjay Kumar Agrawal

Company Secretary

Mr. Manish Agarwal

AUDITORS

Singhi & Co.

Chartered Accountants

161, Sarat Bose Road,

Kolkata-700026

Ph. +91 33 2419 6000

Email: kolkata@singhico.com

Website: www.singhico.com

BANKERS

Allahabad Bank

State Bank of India

Bank of Baroda

Punjab National Bank

Oriental Bank of Commerce

Corporation Bank

Bank of India

Union Bank of India

IDBI Bank

Syndicate Bank

Dena Bank

HDFC Bank

REGISTERED OFFICE

3A, Loudon Street

Kolkata-700017, India

Ph. +91 33 2289 5731/32

Fax +91 33 2289 5733

Email: mail@skipperlimited.com

Website: www.skipperlimited.com

WORKS

Jangalpur Unit (SL 1 & BCTL)

Jalan Complex, NH-6, Village: Jangalpur,

Post: Andul Mouri, Howrah, West Bengal-

711302

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- Parlley

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

REGISTRAR & SHARE TRANSFER AGENT

ABS Consultants Private Limited

Stephen House

Room No.99, 6th Floor

4, BBD Bag (East)

Kolkata-700001

Ph. +91 33 2230 1043

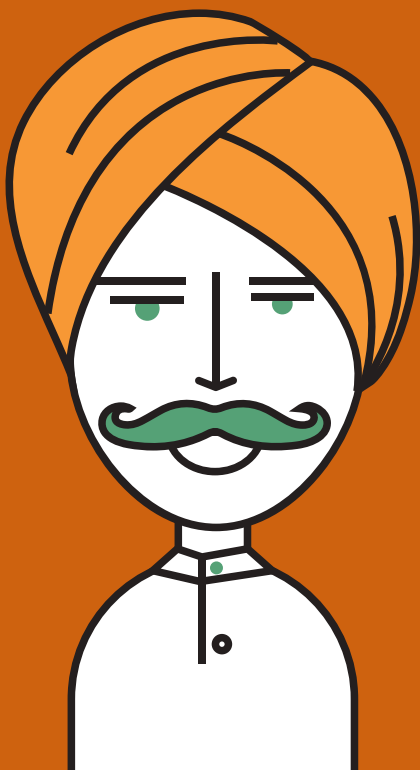
Fax +91 33 2243 0153

Email: absconsultant@vsnl.net

At a glance

Established in 1981, Skipper Limited has today evolved into one of the world's leading manufacturers for T&D structures (towers and poles) in its engineering products segment; a leading and respected brand in the plastic water pipes sector and a trusted partner for executing critical Infrastructure EPC projects.

With over 35 years of domain knowledge, we are the **largest manufacturer of T&D structures in India** and among top ten globally. We differentiate ourselves by offering high quality, yet cost effective solutions for the Transmission and Distribution Sector. We are also one of the **fastest growing Polymer Pipe manufacturing companies in India**. Our massive distribution network spans across the country with more than 3,500 channel partners.



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Manufacturing Facilities
in India

2,30,000

Engineering Product Capacity
(MTPA)

51,000

Installed Capacity for
Polymer Product Business (MTPA)

2,200+

Team Size



Vision

To produce world-class quality products, ensuring robust National Infrastructure development and making India the preferred sourcing hub for Global Infrastructure needs.

Mission

- To continue to add value-added products and services to its portfolio.
- To continue to focus on sectors of power and water as per contemporary global demands.
- To continue to tap newer geographies to add to the existing market.
- To ensure the greater scale and technology, the greater longevity of product, and introduce more efficient technologies for a longer duration of existence.
- To reduce carbon footprints, and evolve towards reduced consumption of hydrocarbons and non-conventional and renewable energy sources.

Awards & Accreditation 2016-17



PGCIL's CMD Mr. IS Jha and Board of Directors handing award of 'The Largest Tower Supplier' to Mr. Sharan Bansal, Director



Mr. Piyush Goyal, Hon'ble Minister of Power and Mr. Babul Supriyo, Hon'ble MoS, Heavy Industries & Public Enterprise giving the award for 'Valuable Contribution to the Power Industry' to Mr. Devesh Bansal, Director



Mr. Vijay Shivtare MoS for Water Resources and Water Conservation, Government of Maharashtra and Mr. Rahul Shewale Member of Parliament giving award for 'The Best Polymer Brand in Construction' to Mr. Vinod Abichandani, Sr. General Manager



Dr. Mahendra Nath Pandey, Hon'ble MoS for Human Resources Development handed award for 'Emerging EPC Player in Power Transmission of India' to Mr. Sushil Beriwal President (Projects) and Mr. Basant Bissa, AGM (Commercial).

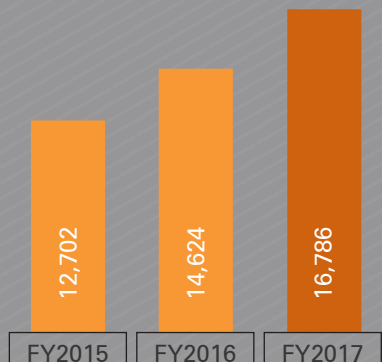


Awards & Accreditation 2016-17

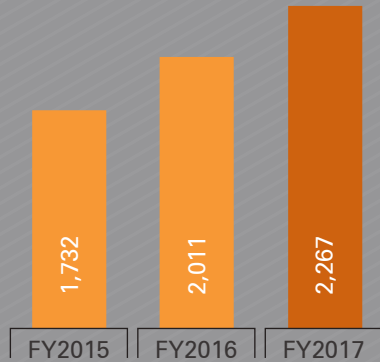
- Won the prestigious award for '**Largest Tower Supplier**' by Power Grid Corporation of India Ltd. (PGCIL) in the Tower Supply category for the second consecutive year.
- Awarded with Certificate of Appreciation for '**Valuable Contribution to the Power Industry**' by Economic Times.
- Awarded with '**India's Most Ethical Companies Award**' by Asian Confederation of Businesses and World Federation of CSR.
- Awarded in the category of '**Continuous HR innovation for Business Excellence**' in Global HR excellence awards, by World HRD Congress.
- Awarded and recognised as the '**Emerging EPC Player in Power Transmission of India**' by EPC World.
- Skipper polymer pipes awarded and recognised as the '**Emerging Brand of the Year 2016**' by World Consulting Research Corporation (WCRC), a leading Brand equity management and Consulting firm in India.
- Won the '**Star performer Award 2015-16**' by EEPC India in the large enterprise category.
- Awarded '**The Best Polymer Brand**' by Construction Times Builders.

Our Performance Highlights

Net Sales (₹ in Million)

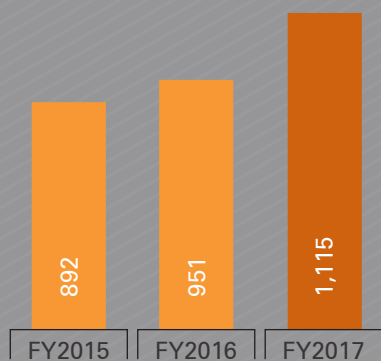


Operating EBIDTA* (₹ in Million)

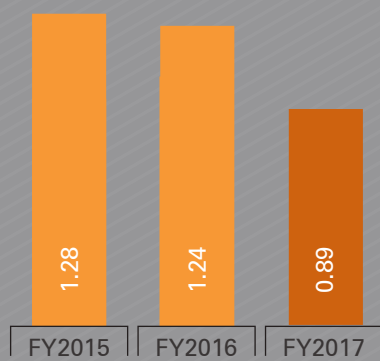


* Excluding income from forward contracts

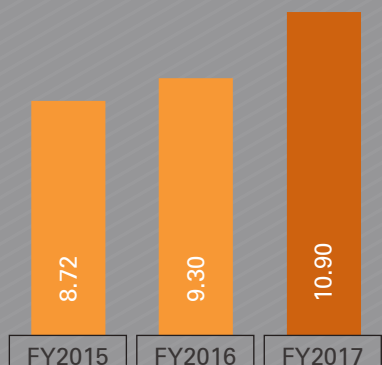
Profit After Tax (₹ in Million)



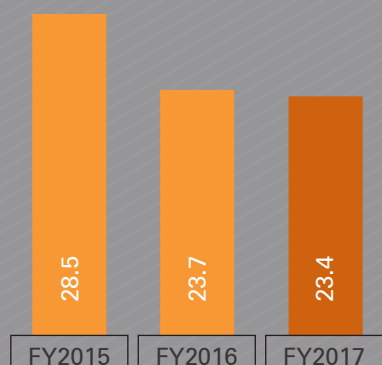
Debt Equity (x)



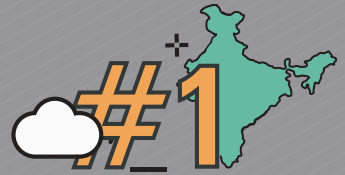
EPS (₹)



ROCE (%)



Our Key Operational Highlights



17%

3 year CAGR (FY 2014-17)
of **Revenue**

61%

3 year CAGR (FY 2014-17)
of **Profit after Tax**

Skipper reported the highest revenue and profit ever in the history of the Company.

27%

3 year CAGR (FY 2014-17)
of **EBITDA**

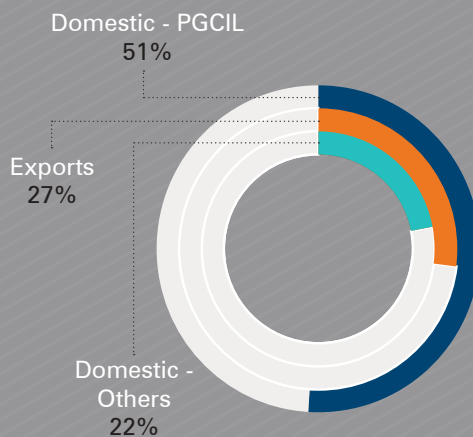
26%

3 year CAGR (FY 2014-17)
of **Orderbook**

- Commissioned 6,000 MTPA Polymer Pipes Manufacturing unit in Hyderabad to cater to requirement in southern India.
- Skipper's new plant in Palasbari (near Guwahati) was commissioned during the year, raising production capacity by 30,000 MTPA for engineering products and by 7,000 MTPA for Polymer products (CPVC and UPVC Fittings).
- Received Power Grid approval for Pole Division
- To increase our penetration in the Monopole segment, the Company successfully designed and type tested the 66kV transmission monopoles.

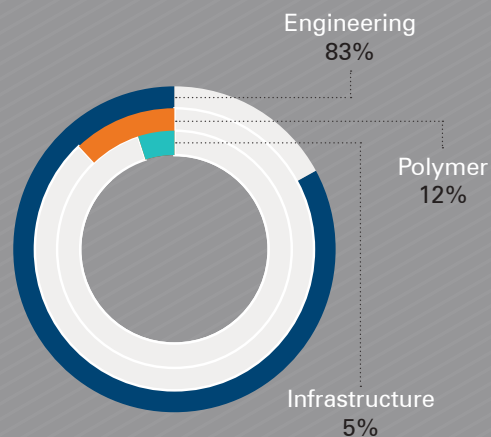
Engineering Order Book, FY2017

(Order Book Size: ₹ 25,890 million)



Revenue Mix, FY2017

(Net Sales: ₹ 16,786 million)



Product Segments: A Snapshot

Skipper is uniquely placed to exploit the growing opportunities in two lucrative segments: Power (Manufacturing of T&D Structures and EPC projects) and water (Polymer Pipes) products.

- The engineering order-book looks promising given the huge investments proposed by the government in the Power T&D segment.
- The Polymer Pipes and Fittings capacity has expanded manifold in line with the aspiration to evolve into a national player from a regional player.
- As a part of the forward integration activity, the Infrastructure Project segment targets high margin business.



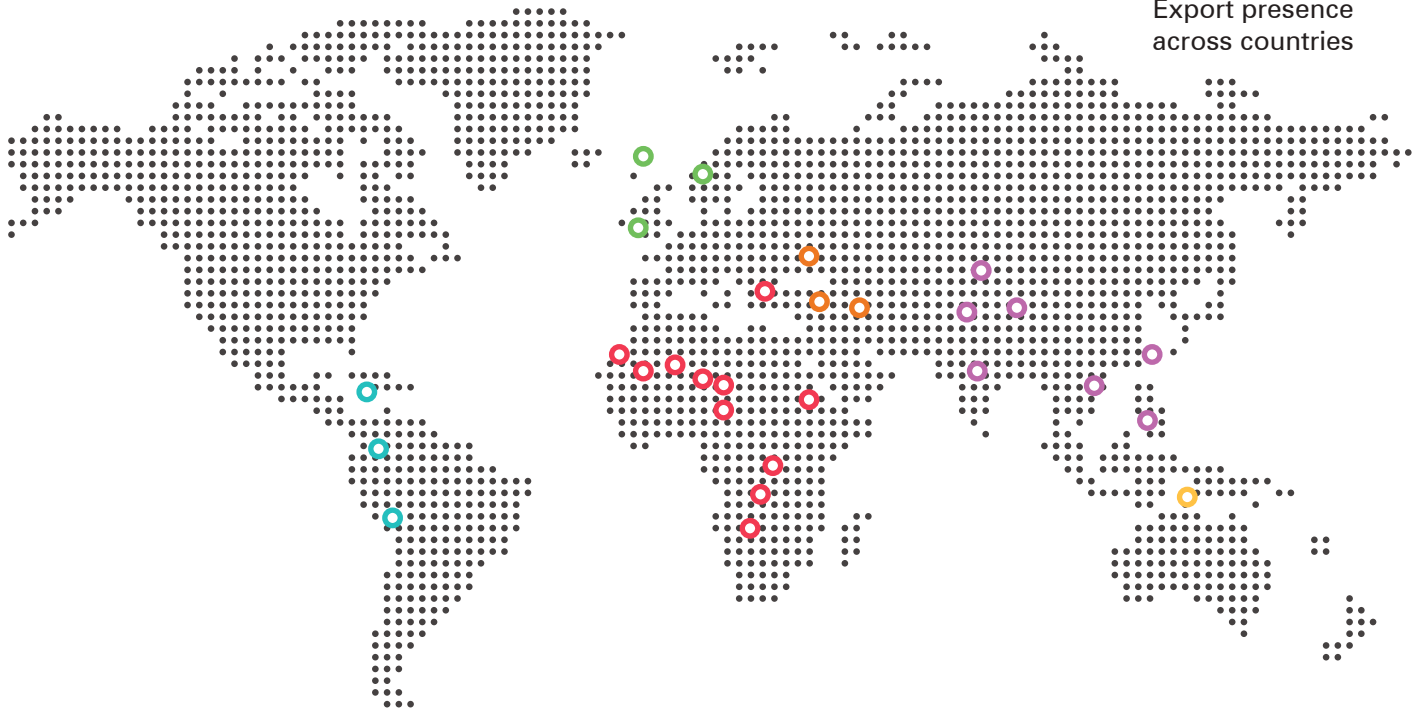
	Engineering Products	Polymer Products	Infrastructure Projects
Products Details	<ul style="list-style-type: none"> • Power Transmission Towers • Power Distribution Poles (Swaged, High Mast and Octagonal) • Transmission Line Monopoles • Telecom Towers • Mild Steel and High Tensile Angles • Fasteners • Tower Accessories 	<ul style="list-style-type: none"> • UPVC Pipes • CPVC Pipes • SWR Pipes • Agriculture Pipes • HDPE Pipes • Overhead Tanks • CPVC Solvent Cement 	<ul style="list-style-type: none"> • Transmission Line EPC • Underground Utility Laying by HDD (Horizontal Directional Drilling) • Water EPC
Revenue Details	₹ 14,237 Million	₹ 1,980 Million	₹ 813 Million
Contribution to Revenue	83%	12%	5%

Our Presence



25+

Export presence across countries



SOUTH AMERICA

AFRICA

MIDDLE EAST

EUROPE

SOUTH AND SOUTH EAST ASIA

AUSTRALIA

Peru
.....
Colombia
.....
Chile
.....

Kenya
.....
Egypt
.....
Ghana
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Nigeria
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Zambia
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Sierra Leone
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South Africa
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Guinea
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Cameroon
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Congo
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Botswana
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Jordan
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Saudi Arabia
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UAE
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UK
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Germany
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Spain
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India
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Nepal
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Bangladesh
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Sri Lanka
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Indonesia
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Malaysia
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Phillipines
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Australia
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Our **Manufacturing Facilities**



Driven by innovation and cutting-edge technology products, the Company is focused to reach out to numerous customers. Skipper is hence enhancing its reach, expanding production and increasing market share.

Its manufacturing facilities are equipped with state-of-the-art machinery and test equipment. This enables the Company to manufacture products of various designs, suited to its customers' requirements.



Engineering Products

Skipper's Engineering manufacturing facilities are located in Eastern India, which enables the Company to take advantage of the adequate availability of power and steel, the cost effective labour and their close proximity to ports.

The Company has three state-of-the-art manufacturing plants in Eastern India, two in Jangalpur, and one in Uluberia near Kolkata,

West Bengal, having an installed capacity of 200,000 MTPA. A new manufacturing plant in Palasbari (near Guwahati) was commissioned in March 2017. Having a capacity of 30,000 MTPA, this new plant aims to tap into the growing demand for T&D products in the North East region.



Quality Certification

- Bureau of Indian Standards (ISI)
- ISO 9001, ISO 14001, ISO 18001
- Power Grid Corporation of India Limited (PGCIL)
- Egyptian Electricity Transmission Company (EETC)
- Bhutan Power Corporation
- Major State Electricity Board of India (SEBs)
- Budcentral-Certificate of Conformity
- Kenya Transmission Company (KETRACO)
- Transmission Company of Nigeria (TCN)
- National Grid Corporation of Phillipines (NGCP)
- Ministry of Railways (RDSO)
- Damodar Valley Corporation
- Saudi Electric Company
- The Jordanian Electric Power Company Ltd., Amman-Jordan
- RETIE, Colombia
- UKSEPRO
- LAPEM



Our **Manufacturing Facilities**



Polymer Products

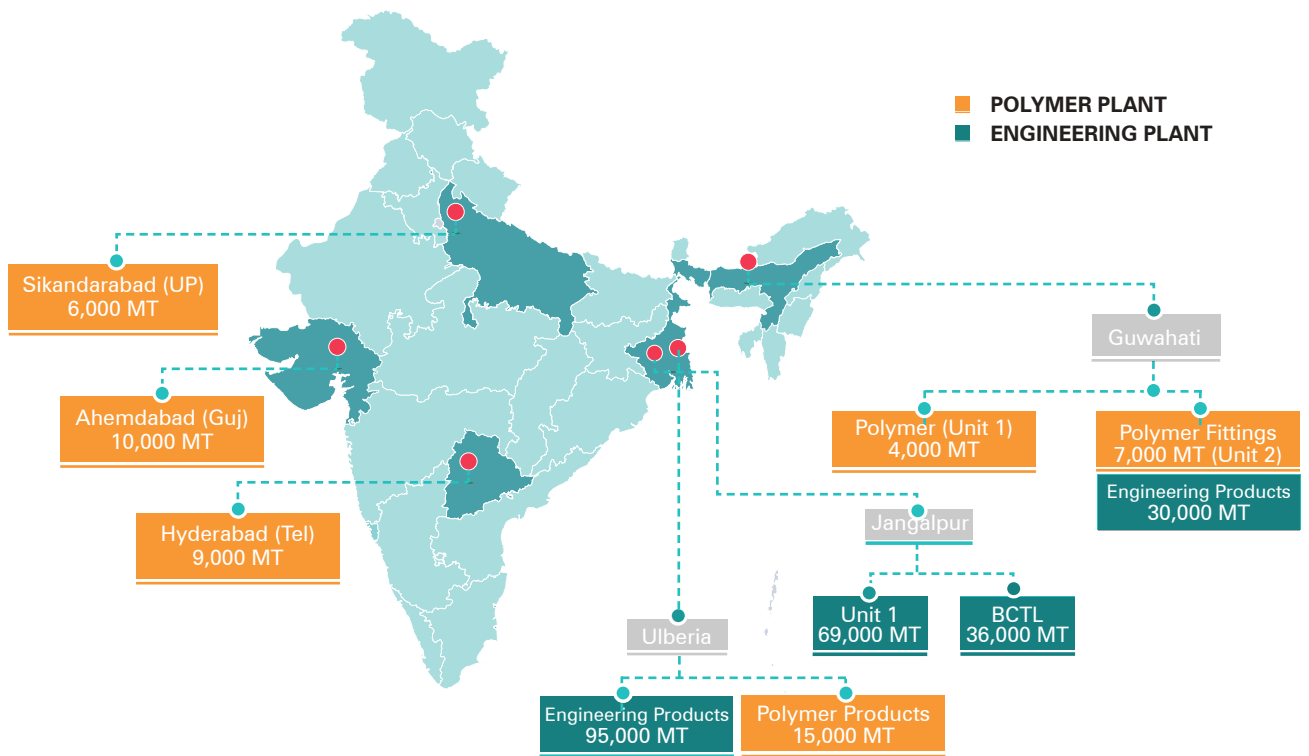
The Company's Polymer Product Segment has a manufacturing capacity of 51,000 MTPA. The plants are designed with state-of-the-art manufacturing technology. This, along with its tailor-made workshop layout, allow for a highly efficient production environment.

Quality Certification

The Company's PVC Products conform to the following Quality Standards:

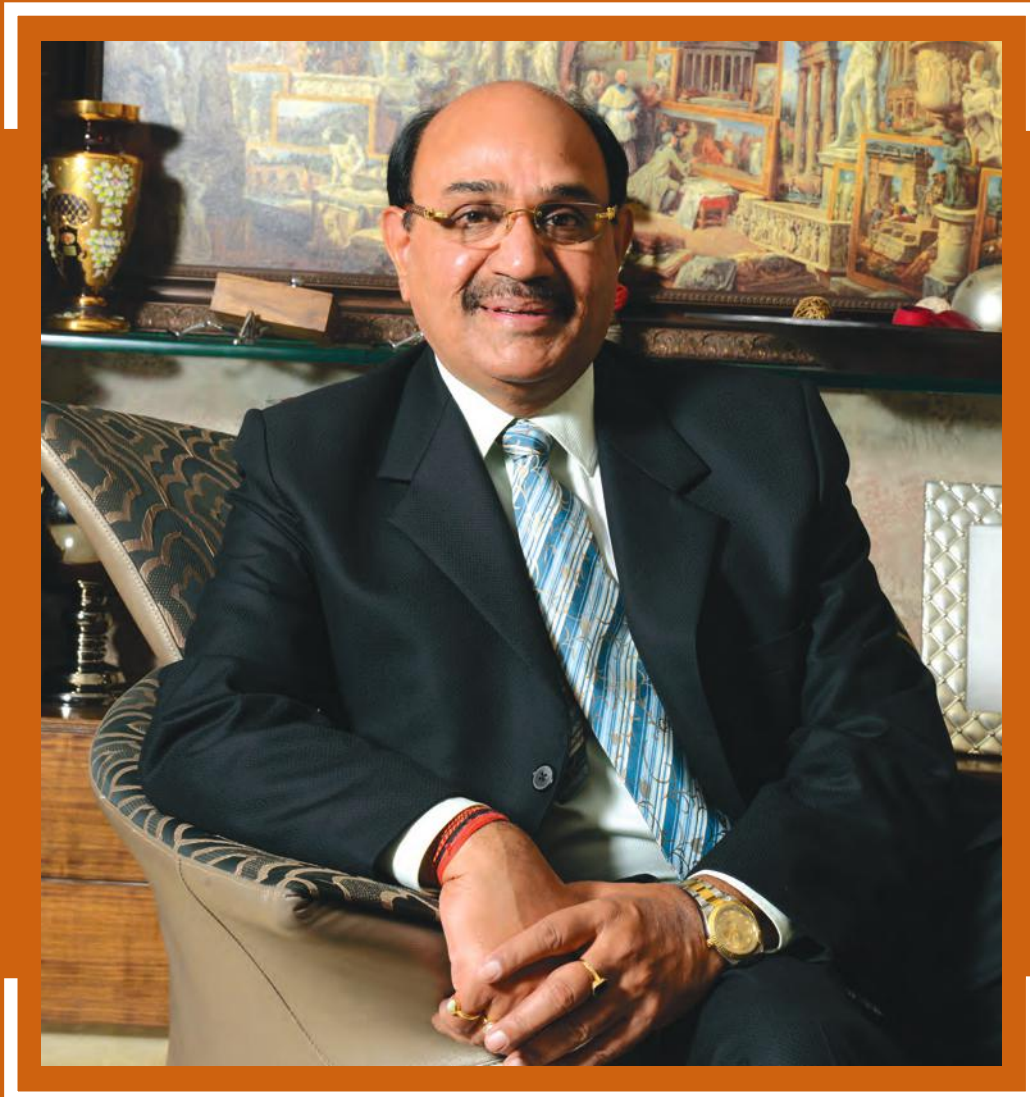
- ASTM D-1785, ASTM D-2467, ASTM D-2846
- IS: 12818
- IS: 13592
- IS: 4985
- IS: 15778
- IS: 13592
- IS : 14735
- IS: 10124
- IS: 14182





Kolkata	Ahmedabad	Sikandrabad(UP)	Guwahati	Hyderabad
<p>Engineering Products: Three state-of-the-art integrated manufacturing plants located at Ulberia and Jangalpur, having total T&D structure making capacity of 200,000 MTPA</p> <p>Polymer Products: Polymer pipe manufacturing facility at Ulberia with capacity of 15,000 MTPA</p>	<p>Asset Light Polymer pipe making facility setup with 10,000 MTPA, capacity to cater to requirement in western India</p>	<p>Asset Light Polymer plant with 6,000 MTPA of installed capacity for manufacturing plumbing and agri pipes to cater to demands of Northern India</p>	<p>Engineering Products: Set up 30,000 MTPA T&D Structures manufacturing plant to cater to growing infrastructure requirement of North East India</p> <p>Polymer Products: Unit 1: Asset Light facility with 4,000 MTPA capacity of Polymer pipes set up primarily to cater to demand of North East market</p> <p>Unit 2: Set up 7000 MTPA Capacity of polymer fittings</p>	<p>Asset Light Polymer Pipe plant with 9,000 MTPA installed capacity of manufacturing Plumbing and Agri pipes to cater to demands of South India</p>

Managing Director's Message



Sajan Kumar Bansal
Managing Director

“As the domestic markets are entering a renaissance, players with high capacities coupled with cost advantages are likely to achieve superior growth. At Skipper Limited, we have strengthened our capabilities to accelerate our ability to capture the surging demand. Today, we are well positioned to harness these opportunities and convert this market momentum into steady and sustainable growth.”



Dear Shareholder,

I am pleased to report that the Company had another successful year, making progress towards fortifying its identity as leaders in the regions and sectors of its presence.

At Skipper, we understood that at a time when the domestic market conditions were showing signs of revival, it would be prudent to strengthen our capabilities to cater to the vast Indian opportunities. Consequently, we responded by recalibrating our focus and capacities towards the domestic markets.

Our superior growth numbers testify the relevance of our strategies, which are closely aligned to external opportunities and the government's key policies. The Company recorded sales growth of 14.8% from ₹ 14,624 million in FY2016 to ₹ 16,786 million in FY2017. This, coupled with innovative cost engineering measures to drive down costs, facilitated a 12.7% growth in operating EBITDA from ₹ 2,011 million in FY2016 to ₹ 2,267 million in FY2017. The Company registered a 17.2% growth in net profit from ₹ 951 million in FY2016 to ₹ 1,115 million in FY2017. A testimony to our performance is that Skipper has been awarded with the 'The Largest Tower Supplier' Award by Power Grid Corporation of India consecutively for the second time.

While we reinstated focus towards our strong domestic base, we were agile in responding to global opportunities. Globally, the power transmission sector has a robust emphasis on setting up capacities for renewable generation. This in turn demands new transmission lines for transmitting renewables. With these favourable opportunities worldwide, Skipper

has successfully transformed itself from being an India-oriented entity to a predominant global player.

Also I am happy to report that the order inflow during the year, despite demonetisation, has been robust. Our closing order book position stood at ₹ 25,890 million as of March 31, 2017. The Company also reduced its debt in FY2017, even after incurring a capex of ₹ 941 million. Subsequently, our gearing improved to 0.89 from 1.24 in FY2016.

One of the remarkable achievements for the past year was the commissioning of our two new polymer products manufacturing unit in Hyderabad and Palasbari (Guwahati) and one new unit for engineering Products in Palasbari (Guwahati). This has expanded our polymer capacity to 51,000 MTPA and engineering capacity from 2,00,000 MTPA to 2,30,000 MTPA, making Skipper the largest manufacturer of T&D Structures in India.

Engineering Products Business

We have emerged as India's only company, of our size, focusing on transmission tower manufacturing, and not just EPC. We are one of the world's largest integrated unit with forte in manufacturing of angle rolling, tower, accessories and fastener manufacturing and EPC line construction. As a result, we enjoy considerable revenue visibility across the value chain.

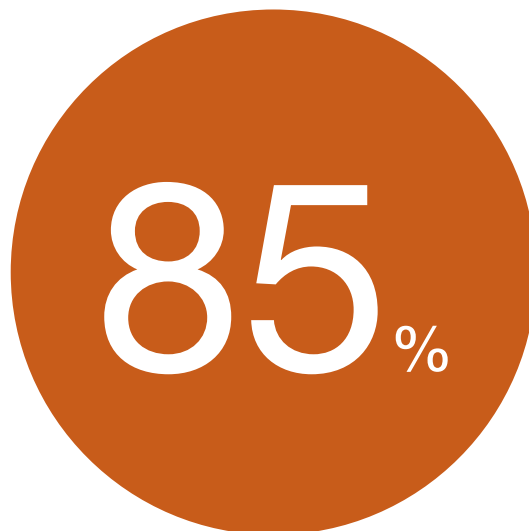
Over the last four years, Skipper has increased its T&D manufacturing capacity from 100,000 MTPA in FY2013 to 230,000 MTPA in FY2017. Despite doubling of capacity,



Largest manufacturer of T&D structures in India and among top 10 globally

Managing **Director's Message**

With the growing opportunities in our market, we expect to play a modest role in transforming India into a global manufacturing hub. Over the years, we aspire to emerge as a preferred global manufacturing partner for complex solutions while being an enduring value creator.



Capacity Utilisation
(Engineering Products)



the Company has been able to maintain utilisation levels of over 85% over the last three years. This is primarily because of our strategy towards gradual capacity addition in a disciplined manner, which in turn enabled the Company to seize opportunities without straining its cash flows and balance sheet, or comprising on margins.

Power transmission capex in India remains strong. The transmission capex is pegged at ₹ 2.6 tn in the 13th Plan, a jump of 44% over the 12th Plan. Skipper continues to enjoy the benefits of low-cost integrated operations. Further, our strong cashflow gives us an adequate financial leverage to scale the business as the demand improves. While the domestic demand remains promising, we continued to focus on geographical diversification in the export market. During the year, the Company entered two new geographies of Botswana, Philippines, Tanzania, Ghana, Cameroon, Kenya, Congo and Malaysia.

The Company has also embarked on the growing long-term opportunity coming from monopolies. India, as of now, is largely a lattice tower market. However, the increasing challenges with respect to land acquisition present a strong case for the adoption of monopole towers. Skipper tested its first 66KV transmission monopolies during the year, qualifying itself for more transmission monopolies projects. Of the total capacity of 230,000 MTPA, our monopole capacity stands at 15,000 MTPA, which can be further increased to 40,000 MTPA.

Considering India is at the cusp of a data revolution, we believe that the time is right for telecom poles. With new entrants in the sector and increasing proliferation of smartphones among the Indian masses, mobile data will grow exponentially, requiring a significant number of towers over the next few years. During the year, we commenced operations of telecom poles to cater to this next phase of growth.

Polymer Products Business

The polymer business witnessed a couple of months of stagnancy owing to demonetisation. Despite that, our PVC business successfully grew by 30% over the previous year.

At Skipper, we are ramping up our manufacturing capacities, exploring newer markets, and strengthening our dealers network. This coupled with the policy push by the government is expected to accelerate business. During the year, we increased our capacity by 16,000 MTPA and our channel partners from 1,500 to 3,500. With an increase in penetration and better product mix, we expect higher and sustainable margins. Further, GST is expected to create a shift from the unorganised to organised segment and will positively impact us.

Within our polymer business, the plumbing pipes and fittings are gaining larger share over the agri pipes. With this, we expect margins to improve as the plumbing and fittings products bring higher realisations. The government's growing emphasis on 'Housing for All', will also drive our revenues and hence profitability.

Further, we've realised that a strong brand not only differentiates us from competitors, but also helps build trust with customers. In line with this, we are building the Skipper brand to accelerate the pace of acceptance of our product at the B2B as well as B2C levels. We have developed a strong marketing team focused towards establishing the Skipper brand. While we understand that this is a long journey, we are determined to build long-term intrinsic value for the Company. Going forward, we are optimistic that India's market size and growth will allow us to carve out our space and market share in time.

Transforming the Culture

We have successfully transformed the entrepreneurial family-run operation into a professionally managed one. Over the years, we have built a strong

management team with professionals who have extensive sectoral experience. At Skipper, we have set benchmarks for norms of governance, aimed at ensuring that the Company protects the interests of the investors through sound and honest strategy, systems, and operations.

Way Forward

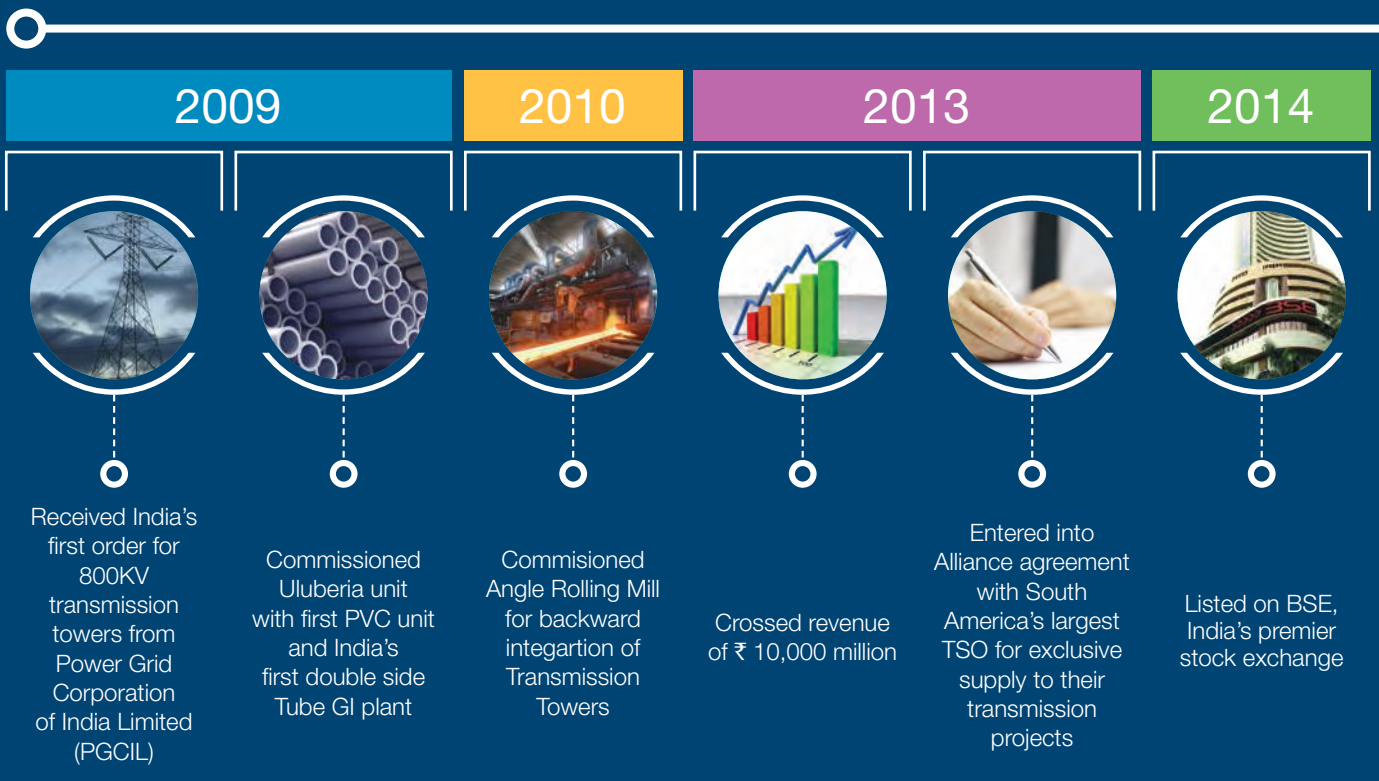
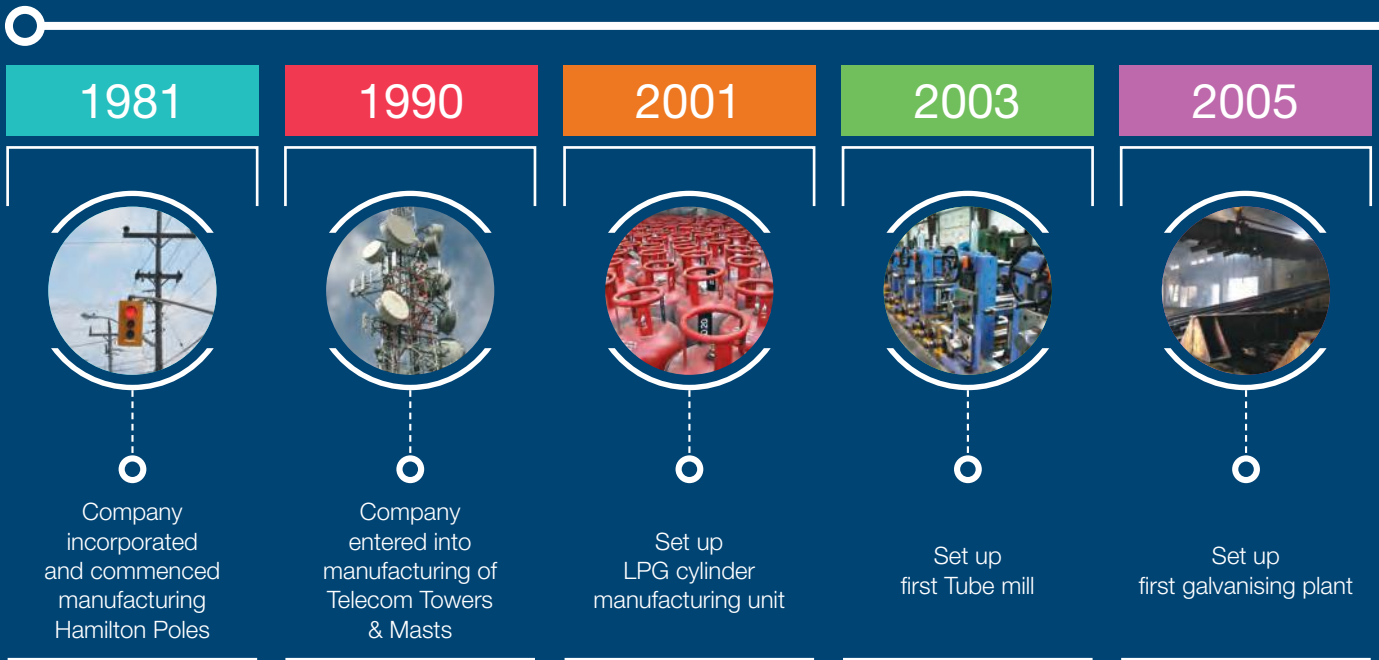
The Government's enthusiasm in the sectors of our presence, a healthy growth in order books, and improved cost management will lead to better revenue assurance. Going forward, the Company expects to continuously enhance its strength and capabilities, widen its network, enhance product mix, and reinforce operational excellence. These initiatives are expected to help Skipper move closer to its vision, consolidate its leadership and enhance value for its vast and diverse stakeholder family. Our vision is to be the world's leading player in Power T&D business and amongst the major player in Polymer products category.

Furthermore, riding this wave in the domestic market, we expect to play a modest role in transforming India into a global manufacturing hub. Over the course of several years, we aspire to emerge as a preferred global manufacturing partner for complex solutions while being an enduring value creator.

Finally I would like to thank our employees, as our growth also showcases the effort of the entire team in raising the efficiency bar, which allowed the Company to capitalise on important growth opportunities and delight the customers. I would also like to thank our stakeholders for their support, and assure them that we will remain focused on improving our profitability and cash flows.


Sincerely,
Sajan Kumar Bansal
Managing Director

Our Journey







2006



Crossed revenue of ₹ 1,000 million




Received approval from PGCIL for Tower unit and first order itself for 400KV towers (the highest voltage level at that time)



Entered into a manufacturing tie-up with Ramboll, Denmark, the world's largest Tower design company

2008




Started process of conversion of Tower production process from manual to automated CNC


2015

2016

2017




Listed with NSE, a premiere stock exchange of India




Awarded as the 'Fastest growing Transmission Tower Company' by CNBC TV18

Entered into technological tie-up with SEKISUI of Japan for CPVC compound




Awarded 'The Best Industry in Water Resources Sector' from the Central Board of Irrigation and Power

PVC unit got operational at Ahmedabad & Guwahati




Awarded "The Largest Tower Supplier" in Tower Supply Category by PGCIL

New PVC unit at Hyderabad going operational



Company emerged as the Largest manufacturer of T&D Structures in India.



Commissioned second plant in Guwahati, Assam

Largest Tower Supplier Award from PGCIL for the second consecutive year

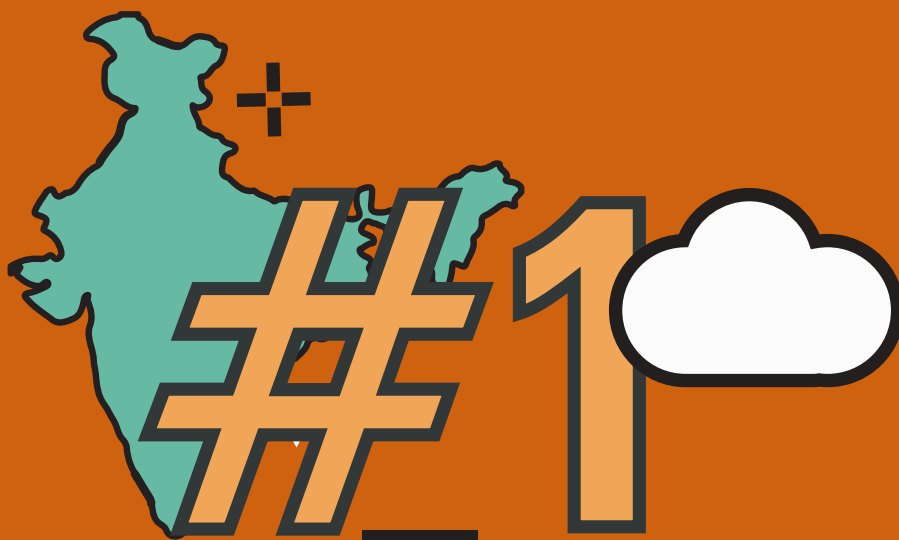
Reinforcing **our Strengths**






Reinforcing **our Strengths** To Steer Sustained Domestic Business Progress

At Skipper, we are continuously reinforcing the foundations we have built over the years, We are creating a robust platform to deliver greater excellence to capitalise on the growing opportunities arising in the domestic market.



Reinforcing our Strengths



₹ 25,890
mn

Order Book Size



1.9x

Order Book to
Sales Ratio

The sub-transmission network in India has historically seen lower investments in comparison to those that transpired in the generation sector between 2005-14. While sizeable investments were made in the national transmission network, the sub-transmission network has remained fairly untouched. With the Government's renewed focus on rural electrification, the correction in this space is becoming evident. Furthermore, in the 13th Five Year Plan, the Government is considering an investment of ₹ 2.6 lakh crore in the overall T&D segment, which is 44% higher than the 12th Plan investment. These transformational changes, along with the progressive policy-level modifications and the effective implementation of directives in the Indian power sector, accentuate the strong outlook for the domestic market.

Moreover, India is setting up substantial renewable generation capacities. India has set a target to achieve an overall installed capacity of renewable energy for 41,400 MW by 2017, and 72,400 MW by 2022. With the advent of renewables, the need for a robust transmission system has also increased. At Skipper, owing to our deep expertise and experience, we are well placed to leverage these market opportunities.

During the year, our engineering product segment, which primarily caters to the power transmission and distribution sectors, witnessed robust growth and an increase in orders from the PSU's - Power Grid and State Electricity Board, as well as private board operators. The Company has a comfortable order book of ₹ 25,890 millions and order book to sales ratio of 1.9x as of March 31 2017, and is expected to remain healthy on the back of further investments by domestic customers.

While the domestic market is showing signs of revival, we are witnessing good growth opportunities in the export markets of Africa, specifically in countries like Botswana, Kenya and Tanzania, as well as South East Asia. Skipper has successfully entered into the markets of Botswana and the Philippines, accumulating orders worth ₹ 1.2 bn.

Our ability to scale up production owing to our asset light business model, our strong cash flows and well integrated manufacturing units gives us the competency to capitalise on this growing demand. We have evolved as the preferred supplier as we offer customers the convenience of a one-stop-shop, having the in-house availability of products, accessories and technical services.



As the power transmission capex in India remains strong, Skipper will continue to enjoy the benefits of low-cost integrated operations.

Multiple Competitive Advantages.



Strategic location

Our plants are located in eastern India, with the advantage of seamless steel availability and close proximity to ports.



Superior service

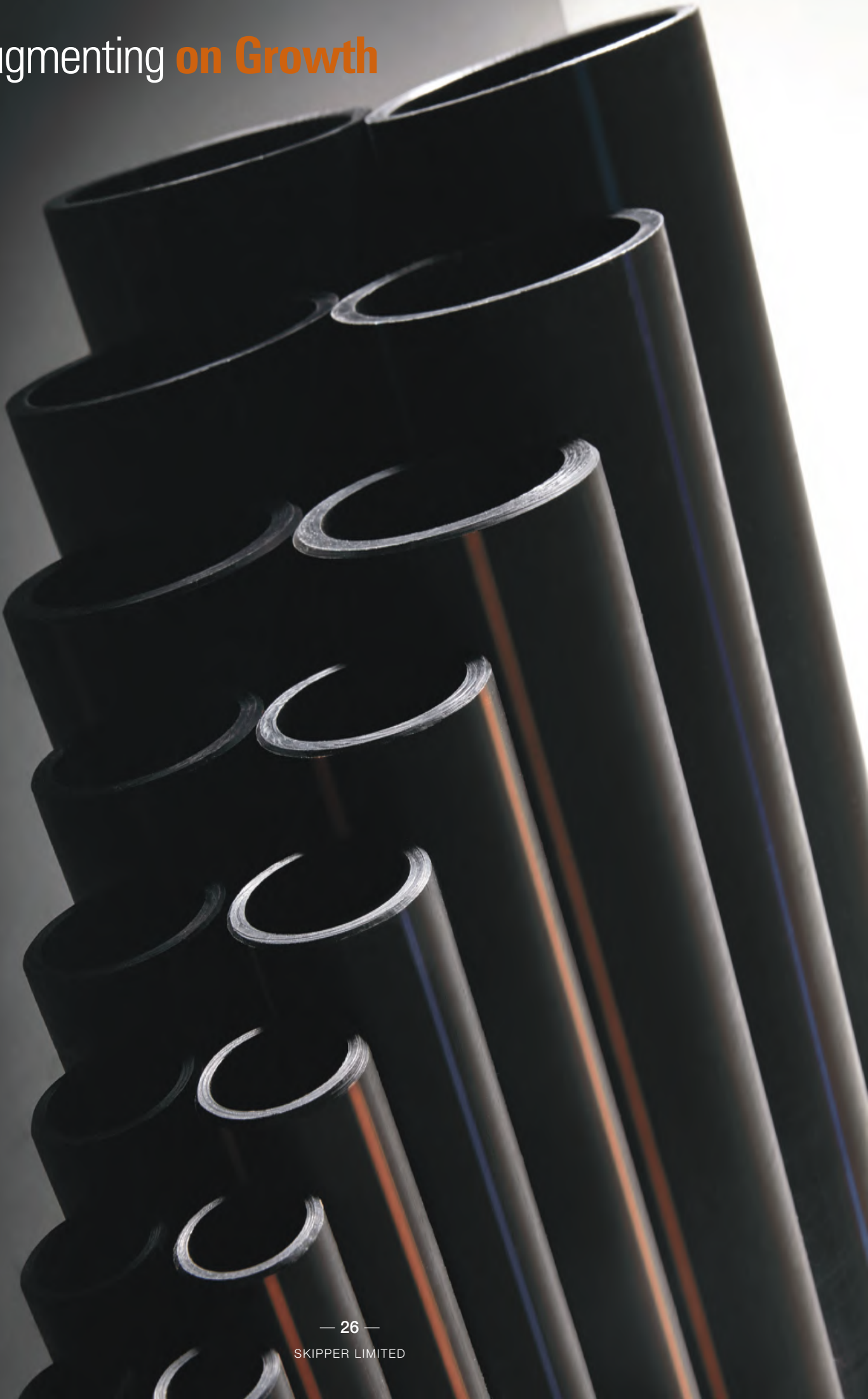
Our superior and timely service through nationwide branches has strengthened client loyalty.



Higher automation

Over 75% of our manufacturing is carried out using automated CNC lines, imported from leading global machine suppliers.

Augmenting **on Growth**

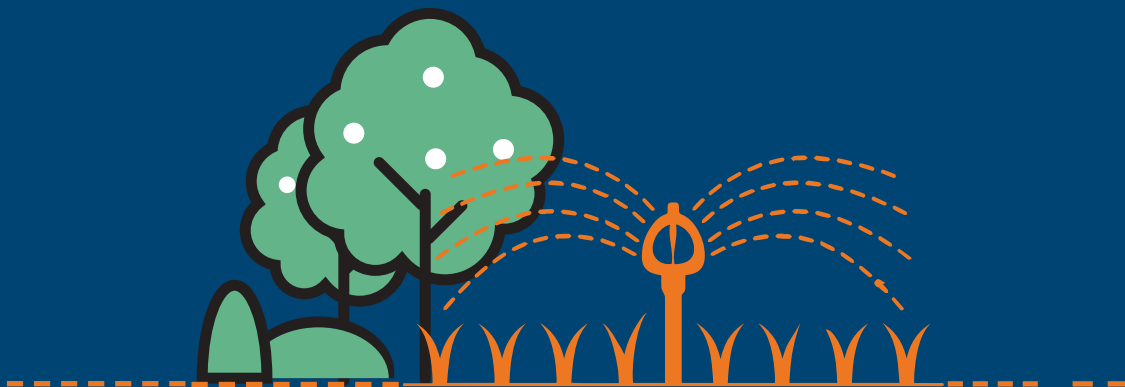




Augmenting **on Growth** Through our New Manufacturing Plants

Our new Greenfield project in Palasbari (near Guwahati) and Hyderabad stands out as a shining example of our ability to harness our existing capabilities in delivering growth. Inspire of the macro-economic environment, we remained on track to commission operations at the new plant.

With the capacity of 9,000 MTPA of Polymer Pipes, the manufacturing unit in Hyderabad caters to requirement in southern India. While the Guwahati plant helped raising our production capacity by 30,000 MTPA for engineering products, and by 7,000 MTPA of Polymer products (CPVC and UPVC Fittings).



Augmenting **on Growth**

Successfully commissioned in March, FY 2017, our Palasbari plant underlines the strength of our collaborative efforts to achieve progress.

Built with best-in-class technology, the plant is equipped with advanced machinery, tapping into the growing demand of the North East Region. The rationale behind setting the plant is as follows:



- To tap the growing demands of T&D products in the North East region on account of large upcoming PGCIL & BOO Projects;



- To manufacture high value CPVC & UPVC fittings and feed all existing pipe units across the country;



- To take advantage of the available tax exemptions, incentives and other associated benefits extended by Centre and State for setting up manufacturing units in the region;



- To improve on margin deliverance by focusing on manufacturing higher value added products.

Going forward, a planned capital expense of ₹ 250 mn in Kolkata, will be incurred on a transmission-tower testing station.

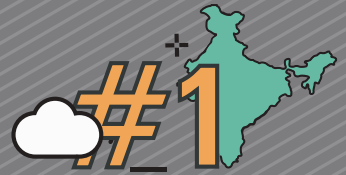


Disciplined capacity expansion!

Despite the buoyant environment, Skipper has expanded capacity conservatively, thereby achieving high utilisation, operating leverage and consuming capital slowly. Thus, the debt equity has improved from 1.70x in FY2014 to 0.89x in FY2017, even as the capacity doubled. As a result, the Company Engineering Segment has been able to maintain high average capacity utilisation of 85% over the last many years. This capital conservatism is also evident in the asset light model that Skipper has opted in its Polymer business.

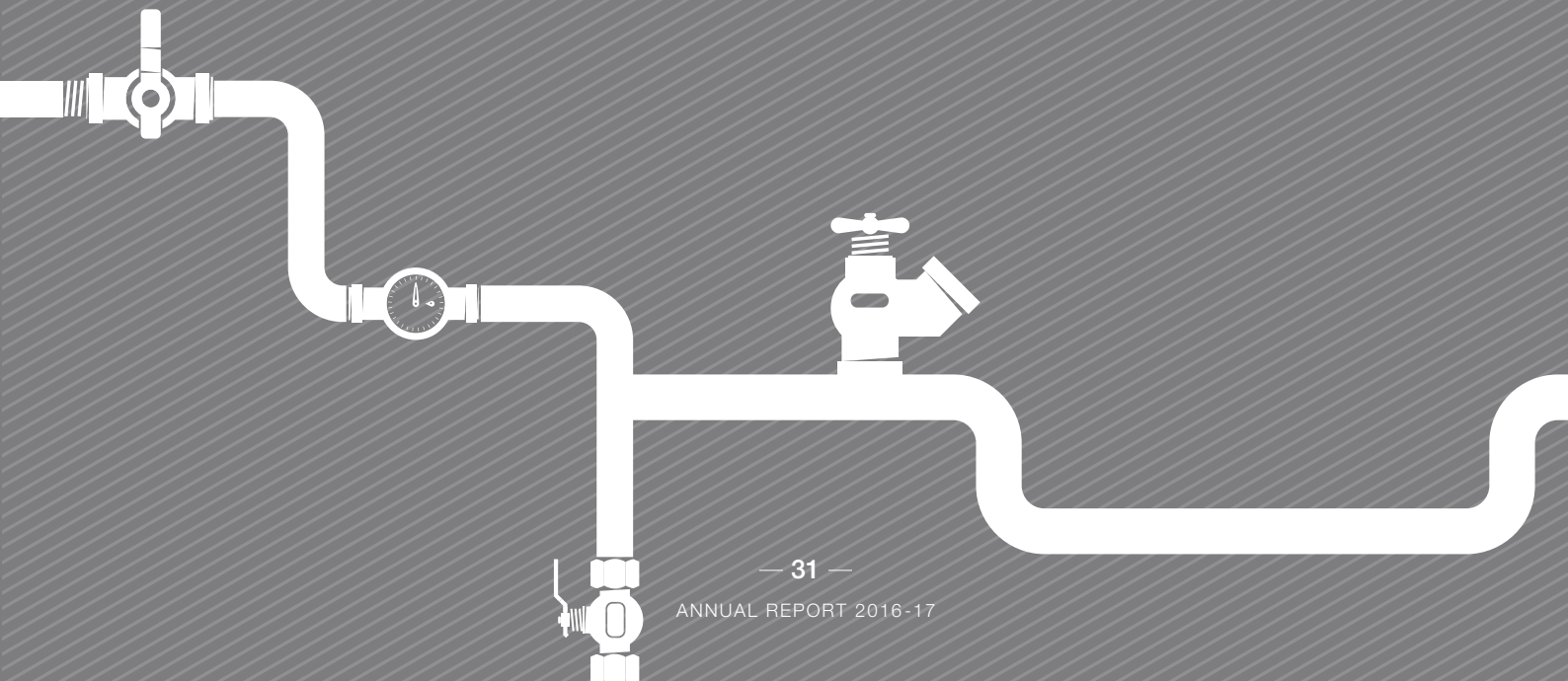
Capitalising on **the Momentum**





Capitalising on **the Momentum** By Expanding Reach

At Skipper, we have embarked on a journey of excellence aligned with our consumers' evolving needs and aspirations. We are evolving from a zonal business to a national player in the polymer business, We are entering new markets and growing our product portfolio. We intend to take our customer outreach to higher levels, creating a path of sustainable progress.



Capitalising on **the Momentum**



In addition to a wide geographic reach, sustainable progress necessitates a strategy to deeply penetrate these chosen markets. At Skipper we are perpetually striving to grow the ambit of our presence by increasing our capacity, enhancing our reach.

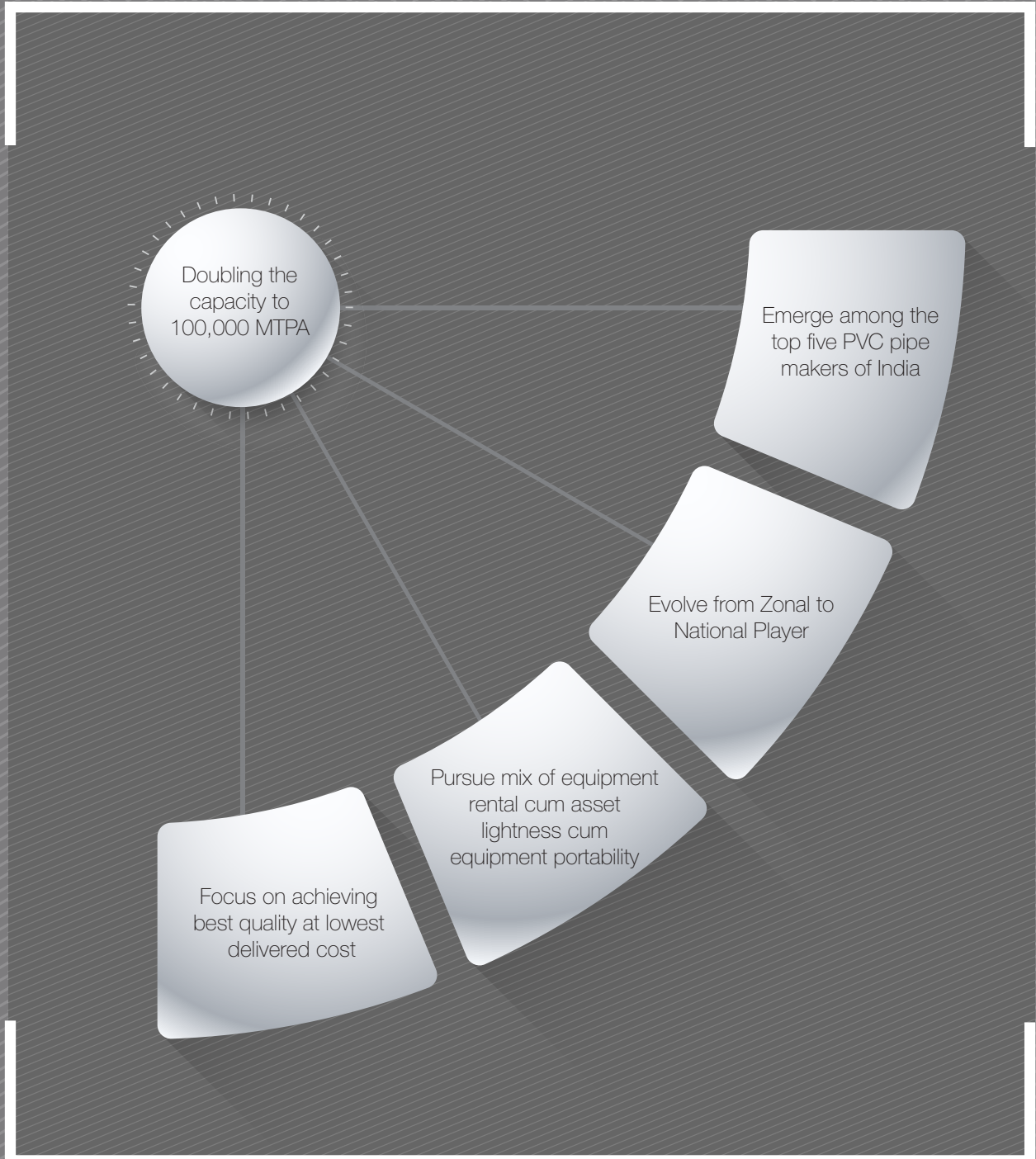
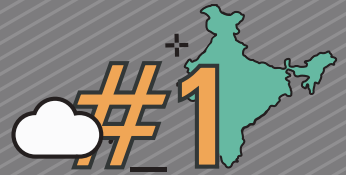
Our polymer business, over the last 2 year has witnessed a 4x capacity growth from 12,000 MTPA to 51,000 MTPA out of six units. During the year, Skipper commenced operating a new plant particularly dedicated to plastic pipe fittings, catering to the nationwide polymer fittings requirements.

Furthermore, as we grew our capacity, we strategically worked towards a more systematic approach to strengthen our marketing and sales networks. As our distribution channels and influencers play a pivotal role in strengthening our brand salience, we have significantly boosted our efforts to engage more closely with them, through several multi-faceted initiatives. We have garnered a large-scale and widespread distributorship across 3,500 touch points. The technology partnership with Sekisui for CPVC Pipes will help elevate the value of our product, and open up new customer segments and geographies.

Resultantly, Skipper's Polymer products business has recorded a growth of 49.6% over FY2014-17. Going forward, the Company aims to double its polymer capacity to 100,000 MTPA.

Skipper is the only Company in the sector to undertake asset light route for expansion and set up satellite manufacturing units to cater different zones of the country.

Polymer Business Ambition Blueprint



Core Competencies

High-Growth Segment:

Skipper is present in two of India's high-growth businesses with significant upside potential.

Contemporary Technology:

The Company possesses automated state-of-the-art equipment, sourced from high-end manufacturers across its multiple plant locations.

Strong Management:

Skipper possesses a strong management team, with three decades of experience in the industry space. Their experience translates into knowledge of diverse business practices, customer preferences, industry challenges and proactive strategy.

Backward Integration:

Skipper has facilities to roll billets into angles that form the core of transmission towers. Further its also manufactures bolts, nuts, hangars and shackles required for completing transmission lines. Skipper's backward integration enables cost optimisation, swifter time-to-market, high quality control, timely dispatch, superior customer service, and a much lower exposure to commodity price fluctuations. This integration also enables a strong control over the entire value chain and gives Skipper the ability to customise its produce. These lead to business sustainability and facilitate entry into new geographies with new products and solutions.

Scale:

PGCIL approved and ISO certified plants with large manufacturing capacities enable Skipper to participate in large project size orders. Furthermore, our sizeable and growing capacities helps us serve large order sizes promptly. Skipper has adapted to flexible production schedules in order to cater to varying order sizes.

Product Additions:

Skipper ventured into the manufacturing of monopoles. The monopoles are a viable substitute to large lattice towers in urban and semi-urban areas, where land acquisition is a growing concern.

Value Engineering:

Skipper's engineering and design excellence helps optimise product and process costs, and also drive high levels of customisation.

One-Stop Shop:

Skipper offers customers the convenience of being a one-stop-shop, having the in-house availability of products, accessories and technical services.

Support System:

Skipper's strategic plant locations in East India enables adequate power availability (from DVC and WBSEB), proximity to Kolkata port and cost-effective labour.

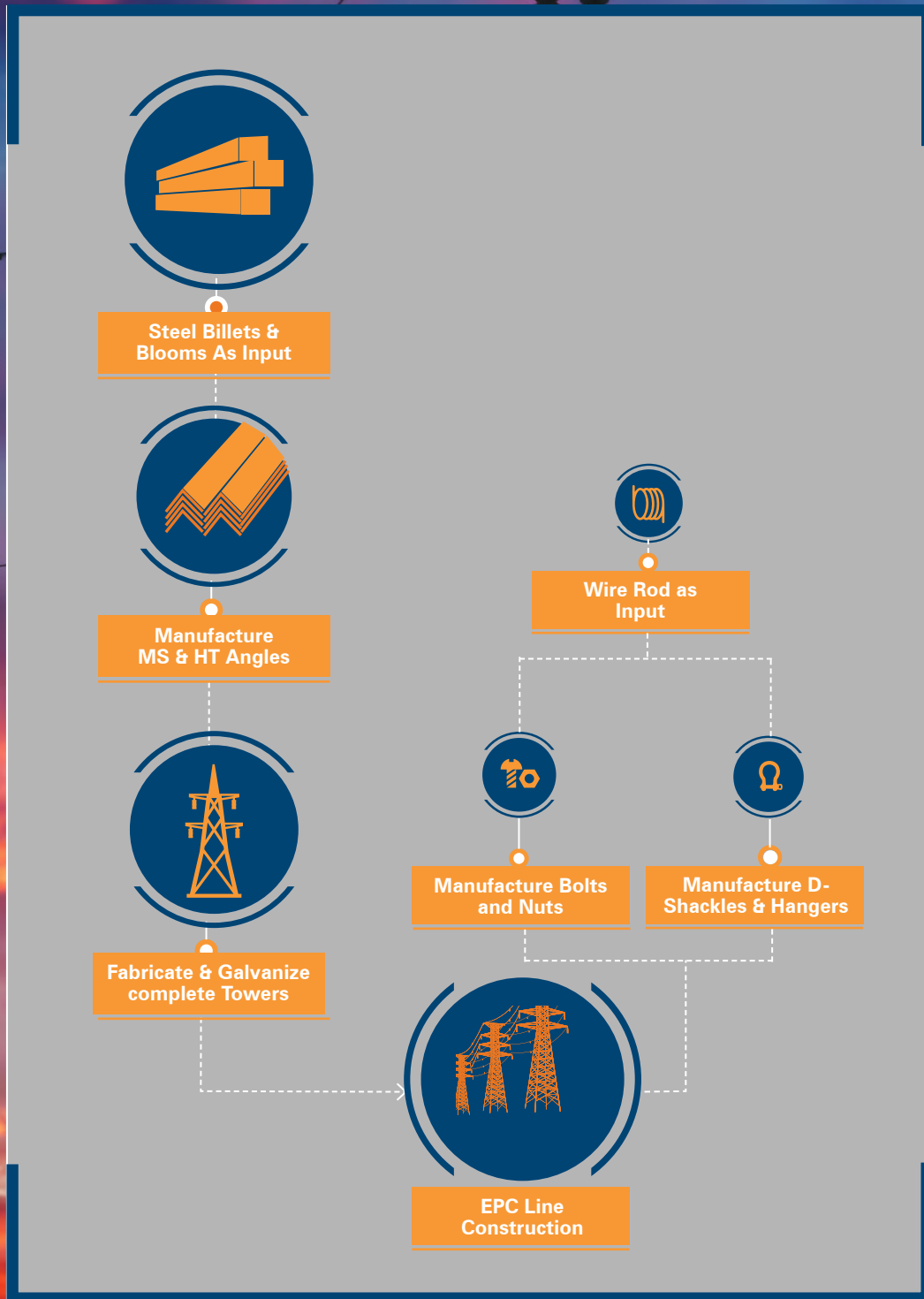
Location Advantage: Skipper's manufacturing units are strategically located in close proximity to the inward raw material availability.

Customer Base:

Skipper has enduring relationships with a number of its pride-enhancing customers including PGCIL, Tata Projects, L&T, EMC, Tata Steel, Angelique International, EMCO Ltd and Reliance Jio, among others.



Our Value Chain



Our Engineering Product Portfolio

Skipper has emerged as a leading global player, and is the largest players in Power Transmission & Distribution (T&D) structure manufacturing in India. With a presence across business sub segments like Towers, Tubular Poles, Monopoles and EPC, we have a control over the value chain - from angles to tower production to fasteners to EPC - ensuring a high degree of performance.

We are an integrated player and a leading exporter of T&D Structures, with an export footprint in 30 countries across South America, Europe, Africa, the Middle East, South East Asia, and Australia.

Transmission Towers

We offer a full-range-cum-diverse product basket ranging from 66 KV to 800 KV Towers. Our Tower materials are as per Indian and International material grades, ranging from BSEN to ASTM to GOST.

Poles

Our wide selection of commercial poles comprises of Swaged poles, High Mast Poles, Octagonal poles, Conical poles and Monopoles. Our product versatility allows customers to use them for a wide range of commercial, residential, municipal and industrial applications.

Monopoles

Skipper Limited is the pioneer and the largest Monopole designing and manufacturing facility in India, armed with global expertise and intellectual capital. Application upto 400 kV in Transmission Towers and for heights up to 40 metres for Telecom Tower.

Distribution Poles

We manufacture poles from 5 metres to 16 metres (height) that are used for Street Lighting, Telecom Aerial Cabling, Power

Distribution lines and Signboards, among others. The in-house production of MS pipes (raw material for poles) ensures a ready availability, on-time delivery and cost management. We manufacture as per the highest quality standards of IS: 2713 / BS 4360, and can also be customised for specific applications.

Angles

We have the flexibility to roll Angles of any grades and lengths. Our integrated approach allows us to have full quality control over the end product, with 100% raw material traceability. It also ensures on-demand raw material availability for critical manufacturing.

Fasteners

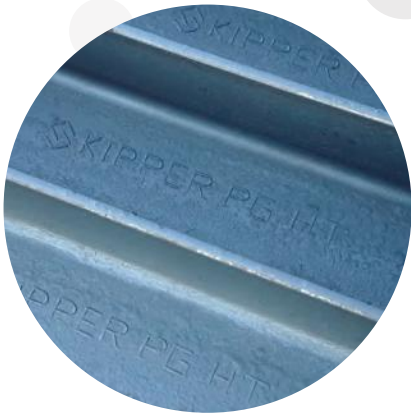
We manufacture a wide range of Bolt/Nuts/washers with in-house Galvanising to ensure faster erection turn-around for customers, and also reducing the need for storing surplus inventory at site.



Poles



Distribution Poles



Angles



Transmission Towers



Monopoles



Fasteners

Our polymer Product Portfolio

Skipper's Polymer business constitutes the manufacturing, branding and supply of Polymer pipes and fittings. We are the largest PVC pipes manufacturer in West Bengal, and one of the largest capacities in eastern India. We are one of the fastest growing national brand. All pipes of Skipper are built using cutting-edge technology and are created after years of research and development. They serve as the ideal choice for all agricultural and plumbing needs.

1. Plumbing and Sewage

- **CPVC Pipes and Fittings By DURASTREAM CPVC Compound**

The CPVC Pipes and Fittings are made of chlorinated polyvinyl chloride and are manufactured according to IS15778 and ASTM D-2846 standard quality. The Company has a technological tie-up with Sekisui of Japan for the key raw material CPVC compound. They offer long-lasting and cost-effective solutions for hot and cold water in plumbing and portable water applications, which takes water temperature up to 92°C.

- **UPVC, 100% Lead free Plumbing Pipes & Fittings**

Skipper high pressure Pipes & Fittings are the most suitable, easy and economical solution for transportation and distribution of potable water. Skipper UPVC is a value added long-term plumbing solution for the building industry.

- **SWR Pipes and Fittings**

The SWR Magic Flow Pipes and Fittings are highly recommended for residential/office/hotel and commercial use. While these SWR Pipes and Fittings are light and easy to handle, they have very high tensile strength and impact strength, making them tough, resilient and durable. Resistant to rust, UV (ultraviolet) radiation, it ensures a very long life span.

2. Borewell

- **Column Pipes**

These pipes are fitted to the pumps and lowered to the level of pump sets depending on how much water is required and capacity of the pump to lift water.

- **Casing Pipes**

Skipper Casing Pipes perform well at great depths and are non-reactive to corrosion, bacterial and fungal build-up. Additionally, it is impervious to fire. These are recommended by experts at the highest level for its strength and longer lifespan.

- **Ribbed Strainer Pipes**

These pipes are used for the filtration of groundwater and are installed at a certain depth of the bore well pipeline where clean water is available. Ribbed Strainer Pipes are available in 1.8, 2 and 3m lengths.

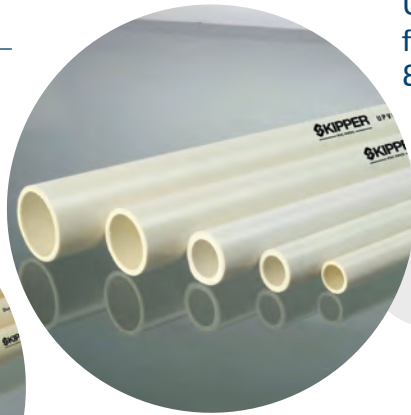
3. Agriculture

Agriculture Pipes

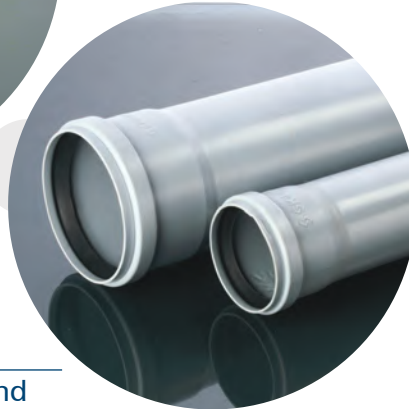
Skipper Agriculture Pipes are made with superior quality UPVC pipes and are specially designed to withstand harsh weather conditions, be it sun, rain or snow. Tough and long-lasting, Skipper Irrigation Pipes conform to IS 4985 and come with 'easy-to-fit' fittings and solvent cement.



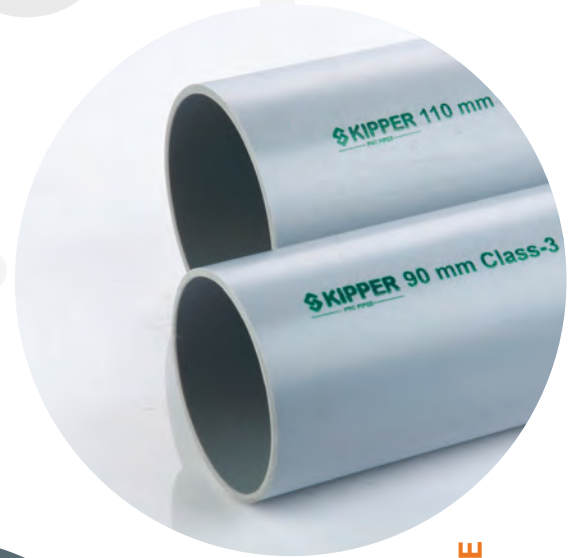
CPVC Pipes and Fittings
By DURASTREAM
CPVC Compound



UPVC, 100% Lead
free Plumbing Pipes
& Fittings



SWR Pipes and
Fittings



Agriculture Pipes

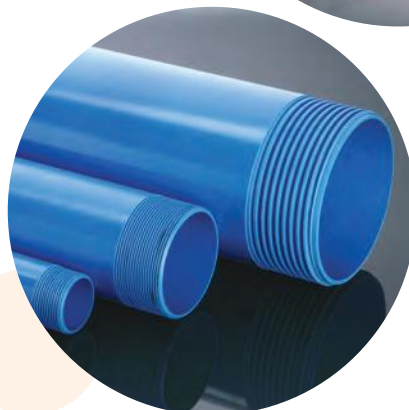
PLUMBING AND SEWAGE

AGRICULTURE

Column Pipes



BOREWELL



Casing Pipes



Ribbed Strainer
Pipes

Our **EPC Projects**





Skipper Limited now is a fully integrated global infrastructure Engineering, Procurement and Construction (EPC) major. Our integrated solutions include tower design, tower testing, manufacturing, and onsite construction.

Skipper possesses a dedicated vertical for EPC line construction, with a specialised skill set to execute turnkey transmission projects upto 800 kV HVDC for various utilities.

Skipper has a state of art in-house design facility with a strong team of Design Engineers who continuously develop innovative, construction friendly and cost effective designs. The Company is equipped with the latest softwares like PLS Tower, PLS Pole, Tower-Cad and Auto-Cad, and is equipped to provide computerised engineering solutions, 3D analysis and design. Skipper has designed various types of monopoles and towers ranging from 33 KV to 500 KV HVDC.

Current Projects

1. 400 kV D/C Rapp (7&8) – Kota (Part A) Transmission Line for PGCIL
2. 400 kV D/C Allahabad – Kanpur Transmission Line for PGCIL
3. 400 kV D/C Jigmeling – Alipurduar (India Portion) Transmission Line for PGCIL
4. 220/132Kv Dc/Sc Lines Against Package – 2 Of Tender Specification No Td 400/15 for UP Power Transmission.
5. 220/132Kv Dc/Sc Lines Against Package – 3 Of Tender Specification No Td 400/15 for UP Power Transmission.
6. 800Kv HVDC Raigarh – Pugalur Package – 09 for PGCIL

Completed EPC Projects

1. 400 kV D/C Panchkula – Patiala Transmission Line under Northern Region PGCIL Strengthening Scheme-XXXII for PGCIL
2. Partial work as allotted to us for Tower Package - A4, Islampur-Saharsa Section Inabensa/ of + 800 kV HVDC Bipole Biswanath Chariyali - Agra Transmission Line PGCIL
3. Partial work as allotted to us for Tower Package – A7 for Gorakhpur – Gomti River Inabensa/ Portion of + 800 kV HVDC Bipole Biswanath Chariyali to Agra Transmission line PGCIL
4. 400 kV D/C Quad Bhadla (Jaisalmer) to Bikaner Transmission Line for RRVPN

Board of Directors



1

Mr. Amit Kiran Deb
Chairman - Independent Director



2

Mr. Sajan Kumar Bansal
Managing Director



3

Mr. Sharan Bansal
Whole Time Director



4

Mr. Devesh Bansal
Whole Time Director



5

Mr. Siddharth Bansal
Whole Time Director



6

Mr. Joginder Pal Dua
Independent Director



7

Mr. Manindra Nath Banerjee
Independent Director



8

Mrs. Mamta Binani
Independent Director

**1**

Mr. Amit Kiran Deb
Chairman - Independent Director

Mr. Amit Kiran Deb serves as the Chairman of Skipper Limited and has been its Independent Director since January 28, 2010. He holds a Master's Degree in Political Science from Allahabad University and joined the Indian Administrative Service (IAS) in year 1971. Thereafter, he served the Government in various important departments and held several key positions, including Home Secretary before retiring as the Chief Secretary of the Government of West Bengal.

2

Mr. Sajan Kumar Bansal
Managing Director

Mr. Sajan Kumar Bansal is the driving force behind the Company's exponential growth, since the beginning of the new millennium. Under his visionary leadership, the Company has grown from a single product manufacturer to multi unit, multiproduct manufacturer, ranging from Engineering Products to Polymer Products.

3

Mr. Sharan Bansal
Whole Time Director

Mr. Sharan Bansal is a graduate in Mechanical Engineering and heads the transmission tower manufacturing and EPC business of the Company. He has taken the Company to a leadership position in the T&D industry.

4

Mr. Devesh Bansal
Whole Time Director

Mr. Devesh Bansal has a Masters in International Business and heads the Tubes and Tubular Product divisions of the Company. He pioneered the production of Monopoles and is also responsible for the Group's upstream expansions.

5

Mr. Siddharth Bansal
Whole Time Director

Mr. Siddharth Bansal has completed his education in Entrepreneurship from University of Illinois, USA. He spearheaded the Company's first diversification into non-steel products. He is responsible for the fast growing PVC pipe manufacturing division.

6

Mr. Joginder Pal Dua
Independent Director

Mr. Joginder Pal Dua serves as an Independent Director of the Company since February 1, 2016. He holds a Master's Degree in Economics. He has served in Oriental Bank of Commerce for over 30 years and also as Executive Director and Chairman of Allahabad Bank for five years. He held several other key positions before he retired as the Chairman of Board for Industrial & Financial Reconstruction (BIFR) in January, 2016.

7

Mr. Manindra Nath Banerjee
Independent Director

Mr. Manindra Nath Banerjee serves as an Independent Director of the Company since September 17, 2007. He is a retired IAS officer and holds a Master's Degree in Economics. In his long spanning service career, he served as Managing Director as well as Chairman of more than 10 State Government undertakings.

8

Mrs. Mamta Binani
Independent Director

Mrs. Mamta Binani serves as an Independent Director of the Company since February 12, 2015. She is a Commerce Graduate and a Fellow Member of the Institute of Company Secretaries of India (ICSI). She has been the first lady Chairperson (eastern region) of ICSI and has also served as President of ICSI. She has more than 18 years of experience in corporate consultation & advisory.

Management Discussion and Analysis



The Indian economy is growing strongly and remains a bright spot in the global landscape. India has positioned itself as the most dynamic emerging economy and remains the fastest growing among G20 countries.

7.1%

India's GDP Growth, FY 2017



Economic Overview

India Economic Outlook

The Indian economy is growing strongly and remains a bright spot in the global landscape. The decline of global oil prices has boosted economic activity in India, further improved the external current account and fiscal positions, and helped lower inflation. In addition, continued fiscal consolidation, by reducing government deficits and debt accumulation, and an anti-inflationary monetary policy stance have helped cement macroeconomic stability.

The government has made significant progress on important economic reforms, which will support strong and sustainable growth going forward. In particular, the implementation of the goods and services tax, which has been in the making for over a decade, will help raise India's medium-term growth, as it will enhance the efficiency of production and movement of goods and services across Indian states.

India's economy grew by 7.1% in fiscal 2017. India's overall outlook remains positive, although growth slowed temporarily as a result of disruptions to consumption and business activity from the recent withdrawal of high-denomination banknotes from circulation. The year 2017 was marked by a variety of institutional reforms such as the implementation of the Insolvency and Bankruptcy Code, creation of Monetary Policy Committee, redesigning of the FRBM framework, passage of GST, and the policy thrust towards a less-cash formal economy.

India remains the fastest growing large developing economy. India has positioned itself as the most dynamic emerging economy among the largest countries and is expected to remain the fastest growing on the back of robust private consumption and significant domestic reforms gradually being implemented by the government.

Challenges remain, however, and there is little scope for complacency. A key concern is the health of the banking system, which is still dealing with a large amount of bad loans, and also heightened corporate vulnerabilities in several key sectors of the economy.

GDP Growth Rate (%)

Year	GDP	GVA
FY2012-13	5.48	5.45
FY2013-14	6.54	6.21
FY2014-15	7.18	6.94
FY2015-16	7.93	7.83
FY2016-17	7.1	6.67

Source: Central Statistics Office

India's Competitiveness

The Indian economy has benefited from a stable macroeconomic environment of low inflation and interest rates, which has helped it overcome a temporary slow-down in consumer spending and a drop in investment that followed the demonetisation program. India's economy has also benefited from ongoing market reforms that have improved competitiveness.

India has risen rapidly among all countries in the global competitive stakes by climbing 16 notches to the 39th position during the past year in the World Economic Forum's (WEF) Global Competitiveness Index. This has marked the biggest scale of improvement in competitiveness among all countries and it is the second year in a row India has gone up 16 ranks in the WEF index. The increased overall competitiveness has been a result of improvement in institutions

India has climbed 16 notches to the 39th position during the past year in the World Economic Forum's (WEF) Global Competitiveness Index.

and infrastructure, recent reforms of opening the economy to foreign investors and increasing transparency in the financial system.

India's competitiveness has improved, particularly in goods market efficiency, business sophistication and innovation, while lower oil prices and improved monetary and fiscal policies have made the economy not only stable, but also the fastest growing among G20 countries.

countries, such as Germany and Spain, as the result of a strong domestic demand. Financial market sentiment toward emerging market economies has improved with expectations of lower interest rates in advanced economies, reduced concern about China's near-term prospects following policy support to growth, and some firming of commodity prices. But prospects differ sharply across countries and regions, with emerging Asia in general and India in particular showing robust growth and remains the

Global Growth and India's Competitiveness

	2014	2015	2016
World	3.5%	3.4%	3.1%
Advanced Economies	2%	2.1%	1.7%
- USA	2.4%	2.6%	1.6%
- Euro Area	1.2%	2%	1.7%
Emerging and Developing Economies	4.7%	4.2%	4.1%
China	7.3%	6.9%	6.7%
India	7.2%	7.9%	6.8%

Source: IMF

Global Economic Outlook

Economic activity gained momentum in the second half of 2016, especially in advanced economies. Growth picked up in the United States as firms grew more confident about future demand, and inventories started contributing positively to growth. Growth also remained consistent in the United Kingdom, where spending proved resilient in the aftermath of the June 2016 referendum in favor of leaving the European Union.

Activity surprised on the upside in Japan, owing to strong net exports; as well as in Euro area

fastest growing economy; while sub-Saharan Africa experiencing a sharp low down. In advanced economies, a subdued outlook subject to sizable uncertainty and downside risks may fuel further political discontent, with anti-integration policy platforms gaining more traction. Activity remained generally weak in fuel and non-fuel commodity exporters, while geopolitical factors held back growth in parts of the Middle East and Turkey. Overall, global growth was reported to be 3.1% in 2016, and is projected to increase to 3.5% in 2017 and 3.6% in 2018.

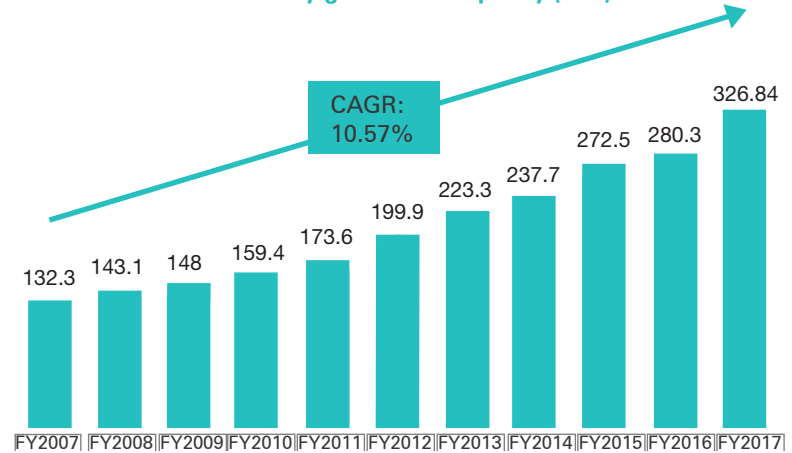


Industry Overview

Power Sector – India

Electricity sector in India is growing at rapid pace. During the year FY 2017, the peak demand stood at 159 GW and the installed generation capacity was 326.84 GW. The demand for electricity is expected to increase at a CAGR of 7% to 1894.7 TWh by FY 2022. The expansion in industrial activity, growing population and increasing penetration and per-capita usage will drive demand for electricity.

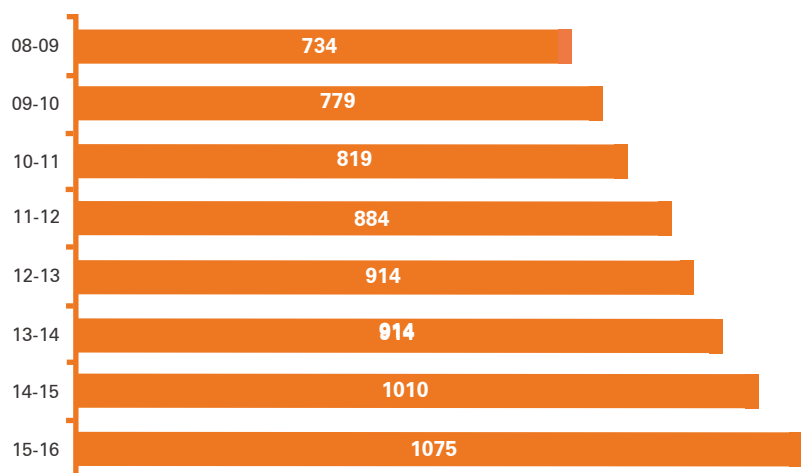
Installed electricity generation capacity (GW)



Source: CEA (Central Electricity Authority). TechSci Research

In an indication of growing appetite for electricity in India, the country's per capita electricity consumption has reached 1075 kilowatt-hour (kWh) in 2015-16, compared with 914.41 kWh in 2012-13, according to the Central Electricity Authority (CEA). However, India's per capita power consumption is among the lowest in the world. Around 280 million people in the country do not have access to electricity. In comparison, China has a per capita consumption of 4,000 kWh, with developed nations averaging around 15,000 kWh per capita.

Per Capita Electricity Consumption in India (in kWh)



Source: Ministry of Power



Per Capita Electricity Consumption in India

Power Transmission

India's Power Transmission networks constitute the vital arteries of the entire power value chain. It goes without saying that the growth of power sector is contingent to development of a robust and a non-collapsible transmission network. Over the past decades, the total power capacity has witnessed commendable growth, with over 327 GW of generation capacity currently installed in India. However, some of India's power surplus regions do not have adequate power evacuation infrastructure, which could alleviate the recurring supply shortages in other parts of the nation. Transmission bottlenecks are an important reason for these shortages. Non-performance of the power transmission sector has an adverse spiral effect on the entire economy. Improvement of this sector is, therefore, essential for the economic well-being of the country and enhancement of the quality of life of citizens. Since demand and generation capacity are both expected to increase in the future, transmission constraints need to be addressed urgently. During the year 2016-17, a total of 26,300 circuit-km (ckm) of transmission lines and 81,816 MVA transformation capacity was added in Central, State and Private Sector.

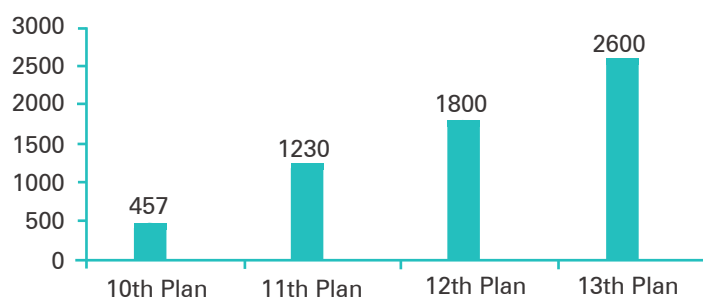
The transmission sector has taken up several initiatives in order to expand the grid resource efficiently. For instance, to reduce Right Of Way (ROW) requirements for transmission lines, 765kV transmission voltage is increasingly being adopted. This is due to the fact that a single-circuit 765 kV line can carry as much power as three single-circuit 500 kV lines, three double circuit 345 kV lines, or six single-circuit 345 kV lines, reducing the overall number of lines and rights of way required to deliver equivalent capacity.

With the massive generation capex witnessed in India over



the past decade, the country's transmission capex is now catching up. This positions the T&D focused players in a sweet spot in terms of order inflows. There is an estimated ₹ 2.6 tn capex till 2022 which gives strong growth visibility for T&D players. Of this capex, ₹ 1.4 tn is allocated towards transmission and ₹ 1.2 tn in transformation. Over 60% of the total spend is likely to come from states with ₹ 1 tn of spending in inter regional grid capacity, ₹ 1.3 tn in intra-regional grid capacity and ₹ 300 bn in distribution (sub 220KV) systems. In terms of Inter regional grid capacity, India is expected to add another 46GW during the five-year period from 2017-22.

Power Transmission capex (₹ Bn)



Source: Ministry of Power

At the end of FY 2017, PGCIL has a CWIP of ₹ 390 bn along with a pipeline of ₹ 1tn, which it expects to be executed over the next four years. Such orderbook depict the sustained robustness of growth for the T&D EPC companies. While PGCIL capex over the next few years will remain the mainstay for the T&D companies, newer opportunities in terms of intra-state transmission projects and renewables are expected. With SEB balance sheets improving post UDAY, there is renewed hope of increased capex within states. The thrust on renewables grid connectivity and the green energy corridor are also expected to bring new opportunities in this space.

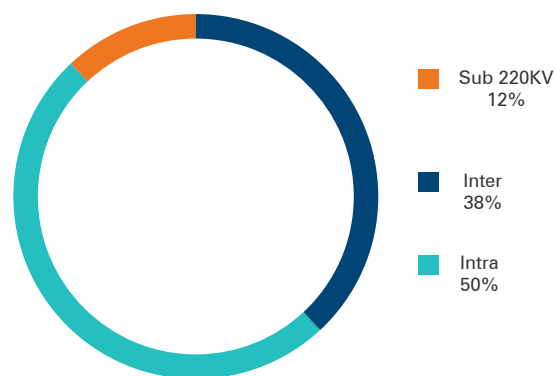
Riding on reforms, and significant investments planned by the Government, private players are increasingly eyeing the transmission segment as a potential steady income generating business. India's transmission sector has key fundamentals such as strong regulatory push,



The UDAY Scheme has helped bring tangible improvements as ATC losses have come down to 22% (as per data of 22 states) from 24% levels in FY2016.

expanded market base with push for renewable sector, and attractive risk return profiles. Furthermore in the last two years, the Government has taken several measures to resolve current bottlenecks and enable players to make investments in creating new T&D platforms resulting in viable opportunities for capital deployment.

Breakup of T&D spend



Source: DART, NEP

UDAY Scheme

The Ujwal DISCOM Assurance Yojana (UDAY) is the financial turnaround and revival package for electricity distribution companies of India (DISCOMs) initiated by the government. Under this, 75% of the discom debt is to be transferred to the respective state governments, while the rest would be converted into state government guaranteed bonds.

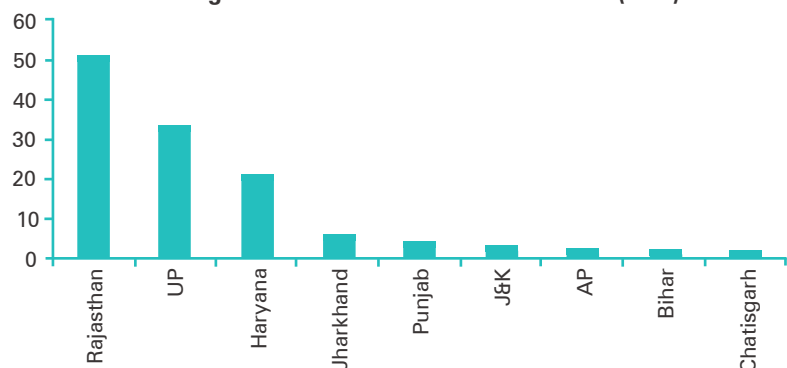
Except for West Bengal and Orissa, all the other states are part of UDAY. Of these, 16 DISCOMs aggregating to ₹ 3.2 tn (approximately 80% of total DISCOM debt) have gone for restructuring of loans. The scheme has already yielded savings of nearly ₹ 120 bn to the state power distribution companies. Over 85% UDAY Bonds have been issued leading to less rate of interest for DISCOMs.

As a result, there have been tangible improvements as ATC losses, which have come down to 22% (as per data of 22 states) from 24% levels in FY2016.



Savings to state power distribution companies through UDAY Scheme

Saving in interest cost for states in UDAY (₹ bn)



Source: DART UDAY portal

Impact of the Scheme

- Financially and operationally sound DISCOMs
- Increased demand for power
- Improvement in PLF of generating plants
- Reduction in stressed assets
- Availability of cheaper funds
- Increased capital investment
- Development of Renewable Energy sector

Ultimately, availability of 24*7 Power For All at affordable price

Transforming India's power distribution through UDAY

UDAY seeks to empower loss making Discoms to break even in two-three years by helping the Discoms in improving their operational efficiencies (compulsory smart metering, upgradation of transformers, popularising LED bulbs), reducing the cost of power (increased supply of cheaper domestic coal, liberal coal swaps from inefficient to efficient plants, supply of washed and crushed coal, faster completion of transmission lines), minimising their interest cost and enforcing financial discipline on them through their alignment with state finances.

Renewable energy

Renewable energy is now one of the mainstream generation source for electricity in the country. As environment regulations gets stricter, coal-based plants are under pressure, and focus is shifting toward making new investments into the solar, wind, and hydro projects.

This is triggering a new wave towards clean energy generation, as most cost-effective renewable energy resources. According to NITI Aayog estimates, the cost for updating inter-region and intra-region transmission lines to integration of renewables will be ₹ 1,200 billion. Furthermore, the Government has also announced planned public investments

The government has announced a ₹ 10,000-crore plan to upgrade the transmission and distribution system in the North East region.

of more than ₹ 380 billion for transmission in the green energy corridor initiative that focuses on transmission of energy from renewable-rich areas to the grids.

Eight states (Tamil Nadu, Rajasthan, Gujarat, Andhra Pradesh, Madhya Pradesh, Maharashtra, Himachal Pradesh and Karnataka) have offered green grid projects worth ₹ 50 billion in July 2016. Of these, six states (excluding Madhya Pradesh and Maharashtra) have already issued notices for tenders.

Green Corridors

Faced with an ambitious green energy target, India promised to achieve 175GW of renewable energy capacity by 2022. This includes 60GW from wind power, 100GW from solar power, 10GW from biomass and 5GW from small hydro projects. This implies a 32% CAGR in the renewables capacity expansion in India.

This also necessitates a Green Energy Corridor that can connect the renewables from its source locations to the rest of the country. As part of this, the government also envisages connecting 34 solar parks with around 20GW capacity. Of this, 13 solar parks with 9GW will be connected to the interstate grid while 21 solar parks with 11GW will be connected to the intra state grid. Stability of the power grid will be important in the transmission of green energy as it will have to factor in the variation in solar and wind energy generated.

Transmission thrust in North East India

The government has shown its keen focus to expand opportunities in the North-East region to ensure power

production, which can lead to improved industrialisation and growth in employment in the region.

In line with this, the Narendra Modi government has already announced a ₹ 10,000-crore plan to upgrade the transmission and distribution system in the region. Of this ₹ 4754.22 crore is allocated towards Comprehensive Scheme for Strengthening of Transmission & Distribution (T&D) Systems (CSST&DS) in Arunachal Pradesh and Sikkim. Prior to this, only 5 of the 20 districts or Arunachal Pradesh had transmission network. For the balance, an outlay of ₹ 5,111.33 crore under the North Eastern Region Power System Improvement Project (NERSIP) has been allocated towards strengthening of the Intra-State Transmission and Distribution System.

North Eastern India has states, such as Assam and Tripura, which are rich in petroleum resources. Arunachal Pradesh has a hydro-power potential of 50,000 MW according to India's Central Electricity Authority (CEA). Meghalaya has coal and uranium resources, while Mizoram has rich biomass. Sikkim and other North Eastern states also have hydro-potential. Assam, Nagaland and Arunachal Pradesh have rich solar potential. The North Eastern region offers tremendous potential for development of renewable energy infrastructure and investment opportunities.

The AT&C losses recorded for the North Eastern Region has been the highest amongst all other regions of the country. There is a growing need for proper voltage management, strengthening of distribution system and to lower distribution losses in the region.



Smart Grids

Smart Grid operates across the utility value chain and has the power to fundamentally change the way people interact with their electricity provider.

- a. **Reforming utilities** - India's rapidly growing distribution systems urgently needs to address network reliability and outage response to limit outage duration, reduce average cost per kilowatt-hour (kWh) by ensuring the reduction of electricity theft, control prices that are likely to come under pressure with increasing demand spurred by growth and urbanization and expand opportunity for hosting embedded renewables and facilitating demand flexibility.
- b. **Ensuring cleaner power** - Smart grid systems will be able to tap into, and be fed with, an array of alternative energy technologies— nuclear, wind, solar and hydrocarbon— and cleaner and safer technologies for coal. This can enable further decentralized distribution and generation across the country.
- c. **Enhancing cost efficiency** - Smart grids will allow utilities to incorporate differential

pricing and real-time monitoring to help optimize costs and improve revenues by adopting a range of pilot schemes. They will also ensure customer inclusion in utility operations.

- d. **Keeping the consumer at the core** - India's journey toward a smart grid-enabled network infrastructure can have a number of drivers. A new kind of energy consumer is emerging—one who is increasingly defining the future of the energy marketplace. As consumers become more mobile, connected via social media and more conscious of their energy needs, they are beginning to expect more from their energy experience.

The power transmission sector is gradually moving toward smart technology. Smart technologies have the potential to create increased efficiency within the grid and help in grid balancing by providing data about usage patterns. The Government plans to establish 100 smart cities and 500 smart towns in the next 5 to 10 years with total investments rising to ₹ 500 billion in 4-5 years. National smart grid mission (NSGM) has an outlay of

₹ 380
bn

Government investment towards transmission in the green energy corridor

Management Discussion and Analysis

₹ 9.8 billion for 12th Five Year Plan along with budgetary support of ₹ 3.4 billion.

10 smart grid pilot projects are currently being implemented by state-owned distribution utilities. These projects will primarily focus on reduction of AT&C losses, peak load management, and integration of renewable. The Indian smart grid market including Advanced Metering Infrastructure (AMI), Distribution Automation (DA) and Wide-area Monitoring (WAM) is anticipated to increase from US\$ 1.2 billion in 2015 to US\$ 22.8 billion by 2025 growing at a CAGR of 33%.

Technological advancements and focus towards High Voltage Line

The Indian power transmission industry has consistent focus on technological advancements such as High Voltage Direct Current (HVDC), better load forecast and General Network Access (GNA). These technologies evacuate electricity and help supply to power deficient regions, thereby helping in addressing congestion issues in the power transmission sector.

High capacity transmission corridors comprising 765 kV AC and ±800 kV 6000 MW HVDC system along with 400 kV AC and ±500 kV/600 kV 2500 MW/6000 MW have been planned to facilitate transfer of power from remotely located generation complexes to bulk load centers thereby, strengthening the national grid. During the 12th Five Year Plan period, it is estimated that a total of around 13,000 MW of HVDC systems will be required for grid expansion and this is projected to reach 15,000 MW during the 13th Five Year Plan.

Power Trading - Open Access

Open Access allows consumers to purchase electricity directly from power generators or energy exchanges. This increases the competition in the market and it

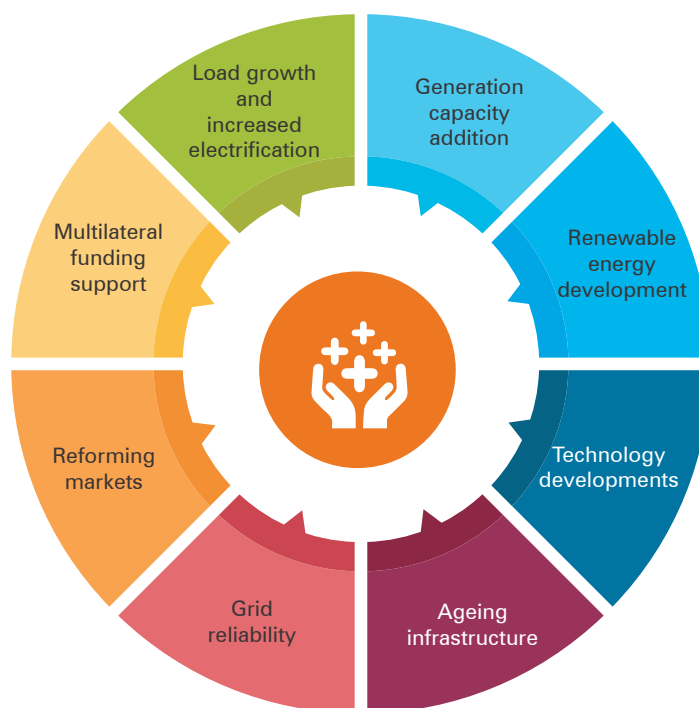
ultimately benefits the consumers. Open Access bridges the gap between deficit energy and surplus energy. This not only reduces staggering but also improves the electricity distribution scenario.

Open access allows consumers to avail electricity through the already existing infrastructure of State utilities. Many states including Punjab, Haryana, Gujarat, Chatisgarh have already implemented this policy wherein bulk consumers (purchasing more than 1 MW electricity) have been given permission to purchase electricity through open access.

Generation Capacity Addition:

India has seen a strong generation capacity addition in the past decade, particularly in the 11th and 12th Five Year Plans, with capacity addition CAGR at 21% and 13% as compared to a staid single-digit growth in the past. While the annual capacity addition peaked out in FY2012, the end of the previous Five Year Plan, the capacity addition is still growing at 10-12% levels in the current Five Year Plan in FY 2017. The typical ratio in India of 1:1 spend in generation and T&D has not been adhered to and there is going to be a catch-up capacity addition in the T&D space.

Key Growth Drivers

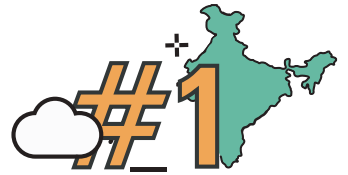


Load Growth and increased Electrification:

There is an increase in load centres arising from the urbanisation and major thrust on rural electrification. The demand for power is expected to grow with increasing rural electrification and easing of DISCOM financials (with the UDAY scheme). This will push for the enhancement of state transmission systems.

Renewable Energy Development:

India has set a target to achieve 175GW of renewable energy capacity by 2022. The need for a robust transmission system has increased with the advent of renewables. As the renewable capacity is concentrated in a few parts of the country, there is a greater need for strong inter-region connectivity.



The need for replacement of ageing T&D infrastructure is growing globally.

Technology Developments:

The shifts to more efficient technologies within the power sector are bringing up the plant efficiency and capacity generation.

Ageing Infrastructure: The need for replacement of ageing T&D infrastructure is growing globally. Network losses are driven by technical factors largely attributed to ageing and poorly maintained networks, as they are prone to high technical losses over modern and efficient installations.

Grid Reliability: The growth trajectory of the transmission industry is based on the facts such as increased emphasis on the grid reliability. The T&D sector is able to deliver reliable electricity from power plants to factories, transportation systems and end consumers.

Reforming Markets: The various reforms announced by the government (as discussed earlier) has helped in the revival of the power sector and especially T&D sector.

Multilateral Funding Support: The transmission companies have an advantage of access to debt funds from Power Finance Corporation and Rural Electrification Corporation. Additionally several states have received funds from multilateral institutes like KFW, World Bank, ADB and others.

Global Energy Market

The global energy market is evolving. A series of macro and micro structural changes are dragging down growth in demand, while the drive towards a lower carbon future, changes in consumer behavior, and technological innovation are affecting the fuel mix and shifting supply emphasis towards renewable energy sources.

What drives Energy Demand

At a fundamental level, population, economic growth, and energy efficiency improvements are the key influences on energy demand. In the 37-year period between 2013 and 2050 significant changes are expected across each of these drivers:

- Global population looks set to increase by 36% to around 10 billion
- GDP per capita, although set to grow more slowly than previous estimates, will double.
- But while on the surface, these two drivers would indicate continued growth in demand for energy.

Role of Emerging Economies

The growth is mainly driven by growing demand in the markets of emerging economies in the Asia Pacific region and the need



Expected renewable energy capacity by 2022



for replacement of ageing T&D infrastructure globally. The market had been growing at rapid rate from 2000-2008, before the global recession in 2009 slowed it down. However, with the steady growth of Asian economies even during the period of global recession, the market revived and kept growing after a temporary slowdown. In the past, North American and Western European countries were dominating the Transmission Tower market but the trend is now shifting to Southeast Asian, South Asian, Eastern European, and Latin American countries, where the economies are gradually developing.

There is a growing demand for power in these countries due to increased urbanisation. In the near future, these parts of the world are going to dominate the Transmission Tower market. The market is mainly driven by an increase in industrialisation in developing countries such as India and China. This leads to increased demand for electricity in these countries and, hence, the demand for transmission towers. Globally, emphasis on grid integration, migration to higher voltages, enhanced focus on clean

The largest T&D investment over the next decade will be in China and India as they seek to meet rising electricity demand while also modernising their grids.

and green energy, signify that the power sector is transforming and evolving towards a healthy outlook the world over.

Global T&D Investment

Over the next decade, electric utilities will invest US\$ 3.2 trillion globally in new and replacement transmission and distribution infrastructure. This infrastructure investment will be necessary due to growing electricity demand, aging assets and new power generation projects, including intermittent renewable resources that are straining the grid, according to a new dataset published by Northeast Group, LLC.

T&D investment will be significant in all major geographies. The largest new investment over the next decade will be in China and India as they seek to meet rising electricity demand while also

modernizing their grids. Developed countries will also be investing significantly, particularly in smart grid infrastructure and renewable energy integration. France alone plans to invest over US\$ 1bn per year in T&D infrastructure focusing on integrating renewable energy, while US utilities will invest nearly US\$ 20 bn per year in transmission, up from just US\$ 10 bn per year back in 2010.

There are a number of drivers of investment into T&D that are evident across both mature and emerging power markets, according to "Power And Renewables Key Themes 2017" by BMI Research, a Fitch Group company. At a basic level, public and private utilities will need to build transmission lines to connect new power plants to the grid, with this trend being most relevant for countries where power supply and demand will grow rapidly.





Capacity of Indian plastic pipe industry

Elsewhere, new interconnections within and between national power systems will be developed to facilitate the integration into the grid of a growing number of solar and wind power plants, as larger balancing areas will allow grid operators to smooth out peaks and troughs in intermittent power supply.

In addition, demand for new transmission lines will be driven by policies that focus on increasing electricity trade, which governments from South America through Africa to Central Asia are seeing as a way to boost energy security and/or monetise a power supply surplus. We also expect a number of new players to enter the market in order to capitalise on the digitalisation of the electricity grid, which is continuing apace amid the rollout of smart meters, demand-response resources, as well as the strengthening role that big data and computing play in the management of the power system.

According to World Energy Outlook (WEO) 2015, a total of US\$ 8.4 trillion investments are expected to flow in the global T&D investments between 2015 and 2040, averaging US\$320 billion per year.

India Pipes & Fittings Sector

The overall Indian Pipe Industry capacity estimated at 5 mn MTPA, of this the plastic pipe segment

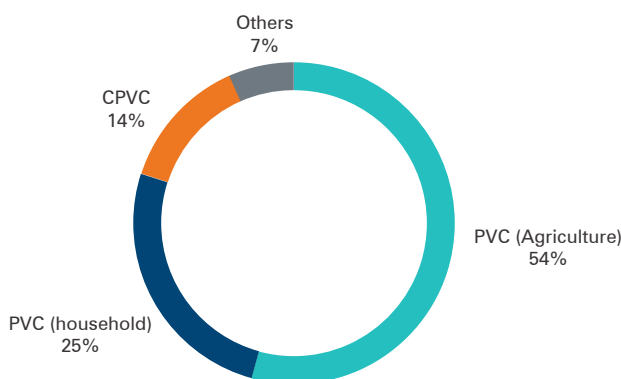
constitutes 35% of the overall capacity. The Indian plastic pipes industry with a capacity of 2mn MTPA is worth ₹ 220 bn and has grown at a 15% CAGR in the FY 2010-15 period and is expected to continue this pace over FY 2015-20E. This growth will be driven by the shift from the unorganised segment and government focus on irrigation as well as low cost housing projects.

India Plastic Pipes industry remains a fairly organised industry, in comparison to other building product companies. The organised industry enjoys 60% market share in the Agricultural/MIS and PVC segments each, while the CPVC segment which is purely household has 80% organised market share. With reforms like GST and demonetisation, the organised sector is expected to grow faster than the overall industry and capture market-share from the unorganised industry.

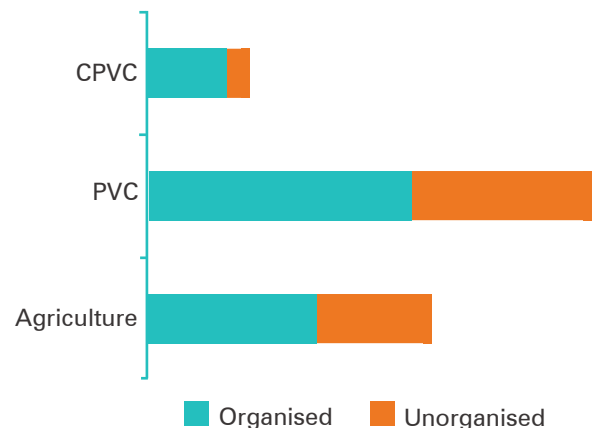
Impact of GST

GST will accelerate the shift from unorganised to organised players. The implementation of the Goods & Services Tax (GST) would further bring down the price differential between organised and unorganised players, as tax compliance costs would increase for the latter. Given that the unorganised segment is largely present in the replacement market, reduced price gaps, coupled with

India Plastic Pipes Market (₹ 220bn)



Pipes Segments Industry Break-Up (₹ bn)



(Source: Company Data and Antique)

increasing brand awareness, would support organised players to further gain market-share from the unorganised sector.

Key Growth Drivers

Demand from Irrigation

Renewed Demand and Government Focus on Housing

Replacement Demand

Demand from Irrigation

Given the near over dependence on rains as a source of water for Indian agriculture, the central government has renewed its focus on irrigation and has initiated its flagship programme of Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) with ₹ 865 bn budgeted for next five years for improving irrigation infrastructure. Also, the central government has announced various measures like crop insurance, disaster relief schemes and interest subvention to support farmer level incomes, which would also translate into spending on irrigation projects at the ground level.

Renewed Demand and Government Focus on Housing

Of all the policy initiatives, the Housing for All (Pradhan Mantri Awas Yojana) and the Smart Cities Mission are two major flagship policies that have affected the demand and supply trends of residential real estate, and have a huge impact on addressing the issues of informal housing/housing for the urban poor. At present, there is a shortage of 18.8 million homes across urban centers of India, of which 15 million are needed in the LIG (Low Income Group) category. Large-scale budget housing projects are definitely the need of the day to address the mammoth shortfall.

The Housing for All mission envisions a multitude of strategies such as tax rebates, monetary support, relaxed development regulations, discounted interest rates, to provide Housing for All by 2022

India's Urban Population has grown over the past 4 decades from 109 million in 1971 to 377 million in 2011 and is expected to grow to almost 600 million by 2030. India is expected to emerge as the third largest economy in the world by 2030 with an estimated 600 million people inhabiting in cities.

In addition to residential demand, the real estate industry would also be supported by the commercial sector (office space, shopping centers) and the hospitality sector. Increasing proportion of jobs in the services sector, an increasing

pool of highly-skilled employees, rising disposable incomes, and aspirations to break out from routine lifestyles have been driving demand for commercial space.

The central government launched the Clean India campaign (Swachh Bharat Abhiyaan) in 2014, which envisions sanitary facilities to be developed for every household, which does not have access to one today. Although not directly linked to the real estate development story, this campaign will be beneficial for PVC players as it opens up a market for plumbing and sewage pipes.

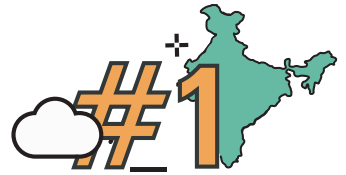
Replacement Demand

In existing real estate units, the market is fast moving away from cement-based, cast iron and galvanized iron (GI) pipes towards plastic-based PVC/CPVC pipes, as

Initiatives launched by the central government in support of irrigation / rural economy

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY):	Accelerated Irrigation Benefit Programme (AIBP):
INR865bn budgeted for next 5 years for improving irrigation infrastructure (enhanced from INR500bn).	89 irrigation projects to be fast tracked for FY17E.
~3mn hectares to be brought under irrigation.	Amalgamated into PMKSY recently.
Improve utilization of 185 irrigation projects across India. (Each project has the potential to irrigate ~300k acres vs ~200-250k currently).	
Other Irrigation Initiatives announced:	Other Initiatives announced to support Farmers:
INR200bn dedicated Long-Term Irrigation Fund to be created in National Bank for Agriculture and Rural Development (NABARD).	INR150bn budgeted towards interest subvention allocation under Pradhan Mantri Fasal Bima Yojana (Crop Insurance Scheme).
Sustainable ground water resource management at an estimated cost of INR 60 bn.	Special focus to ensure credit flow to farmers.
500k farm ponds and dug wells in rain fed areas to be taken up under MGNREGA.	

Source: Company, Media Reports, Antique



Skipper serves as a 'one-stop solution' providing clients advanced value added solutions that are optimally designed and meticulously executed.

there is growing awareness about the advantages of the latter over the former ones. PVC/CPVC pipes are economic and last 2x longer than GI pipes. PVC/CPVC pipes are also increasingly being preferred by industries given their relative durability and strength versus conventional iron or lead pipes.

advanced value added solutions that are optimally designed and meticulously executed. Its integrated manufacturing units, focused management and committed production and quality teams makes Skipper the preferred choice for all customers across sectors.

Company Overview

About Skipper

Skipper Limited, is India's largest T&D Structure manufacturing company and among the 10th largest companies in the world. The Company is also a leading and reputed manufacturer of PVC pipes for water transportation and a trusted partner for executing critical Infrastructure EPC projects.

Skipper serves as a 'one-stop solution' providing clients

With a dominant presence across the country, the Company has a strong presence globally as well. It exports infrastructure and engineering products to countries in Africa, Australia, Middle East, South Asia, South America and Europe.

Our Business Verticals

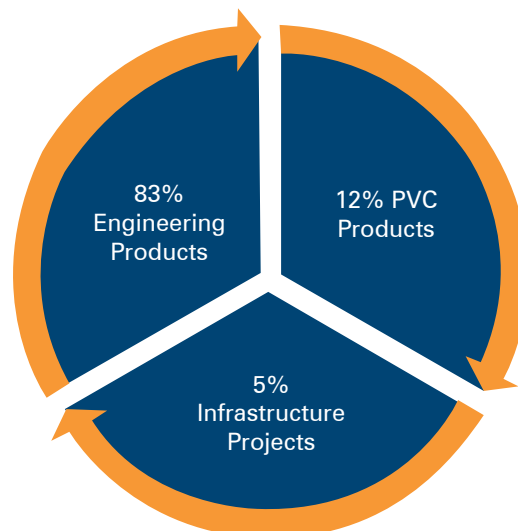
1. Engineering Products Business

Over the year, Skipper Limited has emerged as India's only company of its size, focusing mainly on transmission tower



T&D Structure manufacturer in the world

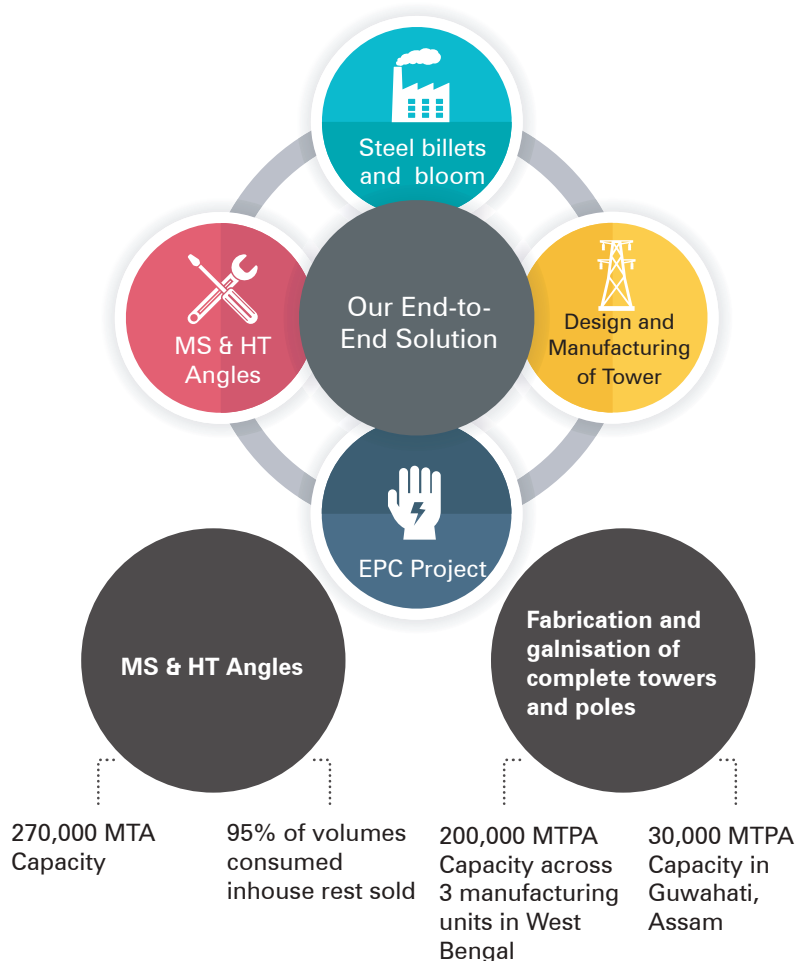
Our Business Revenue Mix



manufacturing, rather than EPC. Skipper was the first company in India to manufacture and supply 800 KV transmission towers to PGCIL. It is also one of the lowest cost producer of transmission tower in the world. It ranks among the world's Top 10 T&D Structure manufacturer and is recognised as the largest player in India. Skipper is also one of the first players to get into transmission monopoles production. The monopoles are gaining traction in the Indian market. During the year, it tested the first 66 KV transmission monopoles, qualifying itself for more transmission monopoles projects.

As a fully integrated manufacturing enterprise, the Company has the capability to deliver cost optimisation, swifter time-to-market entry, high quality control, timely dispatch, superior customer service, much lower exposure to commodity price fluctuations, higher margins, better business sustainability and the ability to enter into new geographies with new products and solutions. The Company has its own captive galvanising plants and angle and plate CNC lines to ensure the highest product quality and timely supplies, strengthening customer trust and ensuring repeat business. Over 75% of Skipper's manufacturing is carried out using automated CNC lines, imported from reputed global suppliers.

Skipper has widened its presence across multiple business sub-segments, including Towers, Tubular Poles, Monopoles and EPC. Its backward integrated plant helps it to have complete control over the value chain from angles to tower production to fasteners to EPC with a high degree of performance.



Key Highlight, FY 2017

The Company has an order book of ₹ 25,890 million, with a well diversified mix of domestic and export business. The engineering product segment, mainly catering to power transmission and distribution sector, is seeing robust growth from Power Grid, State Electricity Board, as well as private board operators. The robust growth is driven by initiatives such as smart grids, green corridor, renewed capex by State Electricity Boards (SEBs) and government's focus on renewable energy. On the back of these, the Company's order book is expected to remain healthy.

Skipper has built up a strong domestic base and over the years, and has now successfully transformed itself from being predominantly a domestic player, to a company with a significant

exports business as its mainstay. During the year, the Company entered into newer geographies of Botswana, Philippines, Tanzania, Ghana, Cameroon, Kenya, Congo and Malaysia.

The Engineering Division recorded revenue of ₹ 13,992.6 million, as compared to ₹ 12,821.6 million in the previous year, constituting 83% of the company's total overall revenue in FY2017.

2. Polymer Products Business

The Company continues to expand its national foot print and its upward growth trajectory in the organised PVC pipe market. Skipper's overall piping capacity stands at 51,000 MT. The Company plans to double its capacity in order to address India's need for superior quality of PVC pipes and products.



Over the years, the Company has developed a strong product portfolio of polymer products which includes UPVC Lead-Free Plumbing Pipes, CPVC by Durastream hot and cold Pipes and Fittings, SWR Magik Flow Pipes and Fittings, HDPE Pipes, Agricultural Pipes & Fittings, Overhead Tanks and Borewell and Irrigation Pipes and Fittings.

Skipper has now become a large-scale manufacturer enjoying tremendous economies of scale in the procurement of PVC resins, both locally as well as through imports. Even on the supply side, the Company has a widespread distributorship of over 3,500 channel partners, that is paving way for the Skipper brand to become a household brand.

For its PVC capacity addition the Company has adopted an asset-light approach. Under the Company has opted to lease land, rather than own it. As this approach is likely to reduce costs significantly, by maintaining the debt level and through prudent capital allocation, this strategy is expected to help generate better returns on investments for the Company.

Key Highlight, FY 2017

During the year, the Company commissioned a new Greenfield project in Palasbari (near Guwahati) with a capacity of 7,000 MTPA of Polymer products (CPVC and UPVC Fittings) to cater nationwide Polymer fittings requirement. A new PVC asset light plant at Hyderabad with a capacity of 9,000 MTPA was also commissioned during the year. With this additional capacity, the Company is focused on building a robust network of channel partners to widen its geographical presence

Skipper's key partnerships with Sekisui and Wavin group, is helping the Company achieve premium brand positioning and product differentiation. Over time, these value added products are expected to increase the blended margins of this business. Further, the Company is working towards diversifying its product mix to gain a larger share in the polymer market.

The Polymer Division recorded a revenue of ₹ 1,980.1 million, as compared to ₹ 1,525.3 million in the previous year, constituting 12% of the company's total overall revenue in FY2017.

3,500

Sales Touch Point for
Polymer Products

3. Infrastructure Division

The Company is a fully integrated global infrastructure Engineering, Procurement and Construction (EPC) major. It offers integrated solutions across tower design, tower testing, manufacturing, and onsite construction.

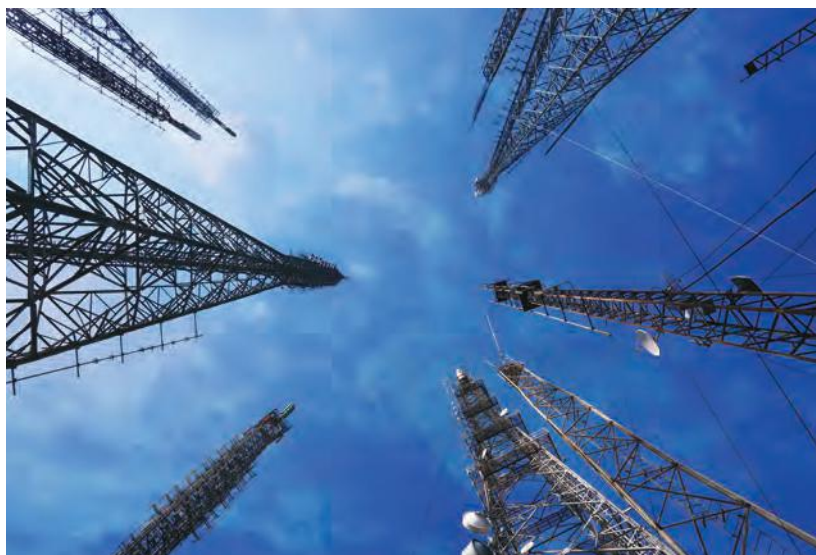
The Company possesses a dedicated vertical for EPC line construction, with a specialised skill set to execute turnkey transmission projects upto 800 kV HVDC for various utilities. The Company is also engaged in Horizontal Directional Drilling (HDD) which facilitates the faster installation of underground utilities, eliminating the need for surface excavation.

The Company is a pioneer of trench-less technology service in India. It provides Trench-less horizontal drilling for the installation of Telecoms cable networks, HT/LT Power cable networks, water & sewerage pipelines and oil and gas pipelines, among others. Using state-of-the-art equipment, we have accomplished successful projects across India.

The Infrastructure Division recorded a revenue of ₹ 813 million, as compared to ₹ 276.6 million in the previous year, constituting 5% of the company's total overall revenue in FY2017.

International Business

The Company enjoys a strong presence in the overseas T&D market and is increasingly focusing on developing new market geographies to further expand its international reach. During the year, the Company gained entry into the newer market geographies of Asia and Africa by bagging new orders in Botswana, Kenya, Tanzania, Cameroon, Congo, Ghana, Philippines and Malaysia.



Robust Order Book

The Company's engineering products order book position as on 31st March 2017 stands at ₹ 25,890 million, as compared to ₹ 24,290 million in the previous year. The order book is well diversified between domestic and international orders. Also, the recently received Power Grid approval for the Distribution Pole will enable to tap the large potential Pole requirements for upcoming Power Grid DMS projects in the North-Eastern region of India. The Company is witnessing uptick in ordering and execution. It expects order book to remain strong, with increased participation opportunities from Power Grid, SEBs, TBCB projects and Renewable projects. In the international business, we are bidding for several international projects in different geographies.

Our Order Mix

PGCIL
51%

Exports
27%

Domestic- Others
22%



Skipper conducted a top management workshop with experiential learning mix, for setting the organisational development objective.

Human Resources

In an ever changing business dynamics, the Company is constantly developing effective and innovative HR practices to remain competitive. Skipper conducted a research and revisited its HR practices, and identified five essential focus areas to enhance productivity and employee motivation.

Areas of Focus:

- Goal Setting with Dynamic HR Policies and Guidelines
- Integration of Performance Management System with performance driven organisational culture
- Dynamic Compensation & Benefit strategy to keep pace at par with industry.
- Employee Talent Pool Development – Training & Development
- HR System & Process Integration with New Automation & Technology implementation

Management is extremely focussed on people development along with organisational growth journey. So with this positive business & people driven mindset, Skipper HR team has started their new initiatives & HR Change management practices from June-2016 with below New Ways of Working.

Goal Setting:

Skipper conducted a top management workshop with experiential learning mix, for setting the organisational development objective. Fifty top management professionals participated from all the SBU of Skipper to share their perspectives

and align their goals to the mission and vision of the organisation.

Performance Management System:

The Company believes that employees' performance is driven by their skills, attitude and their ability to innovate and drive change. In response, Skipper has implemented a new and agile approach towards performance management through 9 Grid Performance Management System.

This model emphasises on the following:

- Innovative appraisal system implemented with performance and potential rating
- Increment process linked with newly defined job band and salary range grid
- Identified individual KRA/KPI as per business unit and people linked with organisational and departmental goal.
- Individual evaluation based on defined KRA/KPI and allotted target

Compensation and Benefit:

Skipper redesigned Compensation and Benefit structure at par with present industry practises to attract the best talent pool from the industry and to stay competitive in the market. The Company defined job band and salary slab as per the present pay structure in the industry. It also implemented short-term (quarterly) incentive schemes.

Talent Pool Development:

Training and talent nurturing is a continuous process at Skipper, where innovation is a must and a new process of training always creates a different impact on the employees. Talent development linked with talent management



Team size

Management Discussion and Analysis

grid for a specific outcome is a globally accepted model. The inputs in this realm are:

- Well-defined KSA development areas and plans for all grid.
- Updating training calendar as per defined plan.
- Initiating leadership development training, which includes coaching, mentoring and sharing effective feedback.
- A well-organised training for revenue earners, which will include: motivation and development of negotiation skills and effective communication skills.

The following training initiatives were conducted during the year:

- ISO Training
- Plasma Operation
- Bending operation
- Preventive Maintenance of Plasma Machine
- General Safety Awareness
- Operation Process of MIG welding machine
- Technical Advancement of CNC Machine

Skipper has received the “Global HR Excellence Award” for continuous HR innovation for business excellence.

- House Keeping and 5 S
- Contractual worker compliance process
- Enhancing compliance process and supervisory skills
- Goal setting business orientation
- Performance driven culture
- Discipline at workplace
- Leadership & Developmental Training

HR System & Process Integration with New Automation and Technology implementation

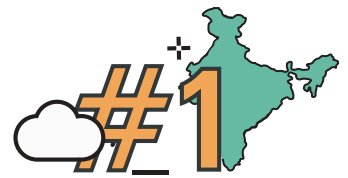
As a continuous process of development and modernisation, the existing HR automation system is being replaced by highly automated integrated new generation software with customised solutions, which includes the entire ‘Employee Life cycle’ with user friendly technology tool.

Skipper is always innovating to strengthen interpersonal

relationship among team members and also to create an environment for employees where learning is an integral part of their career development which is aligned with organisational goal. The overall HR Journey in 2016-2017 was not only innovative but also towards creating new performance driven cultural benchmarking in Indian Industry.

As recognition to our continuous effort to excel and innovate in different paradigms of Human Resource domain, Skipper has received the “Global HR Excellence Award” for continuous HR innovation for business excellence.





Information Technology

Technology plays a key role in enabling transformation at Skipper Limited. Information technology gives it a competitive edge and plays an important role in the Company's forward-looking business strategy. Systematic expansion and gradual renewal of the IT architecture ensures efficiency of business processes and helps meeting market and customer requirements. Technology benefits of IT are leveraged to maximise the productivity and improve customer service.

Adoption of advanced technology and Industry best practices makes Skipper Limited more competitive in the global market. Technology advancements are opening up unprecedented opportunities to create value and meet the expectations of a wider group of stakeholders.

When opting for technology as a growth engine, it is essential to select the right technology and use it in the right way. The Company has remained proactive to find newer ways of doing business and stay ahead of the curve. Technology has been acknowledged as the backbone of



Increase in Net Sales,
FY 2017

business innovation and transformation. The Company has undertaken the following new initiatives:

- Leverage technologies and information resources for sales force automation with modern communication devices like android Tablets.
- Provide technologies to enhance communications with the business community and the world.
- Cost-effective approach to improve the legacy systems.
- Yearly re-evaluation of technology in order to provide the most efficient, simple and standard automation systems.
- Develop the Major Incident & Business Continuity plan for IT and implement measures designed to safeguard the Information Technology.
- Adoption of new advances in technology such as data analytics and cloud computing.
- Strengthen the network infrastructure backbone across the location.
- Effective Internet bandwidth utilisation and allocation of additional bandwidth has been factored as per the requirement.
- Technology to replacing feasible manual work .
- Leveraging ERP solution for managing complete enterprise processes and to access real time analytical and operational data.
- Maximising the performance capabilities of the industry specific ERP solution.

Financial Performance Overview

		₹ million		
Profit & Loss Summary		FY2017	FY2016	Change % YOY
1	Net Sales	16,785.7	14,623.5	14.8%
2	Operating EBITDA	2,267.1	2,011.1	12.7%
	% of Net Sales	13.5%	13.8%	
3	Depreciation	315.5	241.2	
4	Interest Expenses	611.0	570.0	
5	Other Income including Interest Income	31.3	51.7	
6	Operating Profit Before Tax (2-3-4+5)	1371.9	1,251.6	9.6%
	% of Net Sales	8.2%	8.6%	
7	Income from Forward Contracts	193.3	181.4	
8	Profit Before Tax (6+7)	1565.2	1,433.0	9.2%
9	Tax Expense	450.2	481.7	
10	Profit After Tax (8-9)	1,115.0	951.3	17.2%

Note: Operating EBITDA (W/o Other Income) & Operating PBT excludes income from forward contracts

Internal Control

The Company has a robust internal control framework which is operating effectively. Well defined and clearly laid-out policies, processes, systems and work instructions ensures that processes within the organization operate in the desirable manner. The Company has a sound system for financial reporting and well defined management reporting systems. These are supported by Management Information System (MIS) that regularly checks, monitors and controls all operational expenditure against budgeted allocations.

Management Discussion and Analysis

The Company also has a regular internal audit process that is monitored and reviewed by the Audit Committee. The process ensures that any deviation from set benchmarks are immediately reported and corrected and gives the relevant stake holders proper oversight on operating effectiveness of the system and processes of the Company.

Risks & Concerns

The Company is in continuous process of strengthening its risk management framework which identifies and evaluates business risk and opportunities. The Company recognizes that risks need to be identified at the right time, managed adequately and mitigation plans needs to be prepared to protect the interest of the shareholders and stakeholders. Managing these risks actively is also a pre requisite to achieve business objectives and enable sustainable growth of the Company. The exercise to design the risk management framework is aimed at effectively mitigating the Company's various business and operational risks.

The Company is having a risk management policy for identification and assessment of risks which is monitored by the Audit Committee of the Company. The Committee closely monitors the process and suggests suitable measures to mitigate the risks. The risks may be caused due to the internal or external factor and necessary precautionary measures are taken by the Company to negate the impact of probable risk.

The major risks of the Company are as follows:

Business & Market Risk

The risk from the competitors is in general referred to as business/market risk. The Company is an established player in the Engineering products business and is amongst the top three manufacturers in India. Having limited number of players in the said category, the Company believes that the risk from

competition is very rare. In the polymer product segment the Company is aggressively achieving market share and feels itself sustainable in the competitive market. However the Company does not ignore the possibility of competition from other players. The Company operates in a very dynamic way and all decisions by the management are taken considering all the possibilities.

Perception Risk

The Company is engaged in products which are used in different segments which mainly consists of transmission and distribution of power and transmission and distribution of water. However, the products for T & D business are made of Steel due to which sometimes the Company is construed as belonging to Iron & Steel business. Sometimes the Company is considered as plastic products related Company and sometimes, the Company is also construed as EPC player. However, the identity of the Company should be taken as a whole rather than a part of the business.

Financial Risk

Increase in operation cost as well as raw material cost poses financial risk to the Company. The prices of raw materials are driven by commodity prices which are fluctuating in nature. The impact of this risk is to some extent minimised with the escalation clause in majority of orders in engineering products. However, the Company applies various strategies like purchase in bulk as well as import of raw materials etc. to minimise the impact of financial risk.

Interest Rate Risk

The Company is financed by various bankers and it is required to pay interest on credit facilities availed by it. The change in rate of interest may be both favourable as well as unfavourable to the Company. Any negative impact in the interest rates has a direct impact on the bottom-line of

The Company regularly keeps upgrading its systems and processes to ensure these are up-to-date and the latest.

the Company. Timely strategic decisions and good relations with all the bankers gives the Company an edge for making better negotiations on interest rates with the bankers.

Liquidity Risk

The liquidity risk may come in the way of smooth operation of the Company due to one or the other reasons. Whenever there is blockage of funds in the hands of customers, the liquidity crunch is likely to happen. Although wholehearted support from the bankers strengthen the hands of the Company to face the liquidity risk, the company leaves no stone unturned to avoid the possibility of liquidity risk.

Exchange Fluctuation Risk

The Company is exposed to the fluctuations in the foreign exchange market due to significant exposure for import of raw materials and export of its finished product. Hence the Company has taken proper care and most of its receivables and payable are duly hedged.



Management Outlook

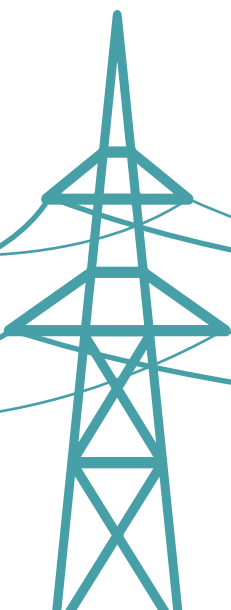
The Company's prudent approach to reinforce orders, industry barriers, efficient working capital management, and increasing PVC Pipes capacity through the asset light model augur well for our future growth. Our robust order book provides revenue visibility in the T&D business. In addition to this, a multi-fold expansion in the PVC business on a pan-India level provides scalable growth opportunities. Order traction from state transmission utilities will be our next driver for growth for the Engineering Products segment, with a huge potential depending on the success of the UDAY scheme. Additionally, the entry of large private players in the transmission sector will help us reduce our dependence on PGCIL. The ramp-up of production in the PVC segment will also drive growth.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Skipper Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors



could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Skipper Limited's Annual Report, FY2017.



Corporate Social Responsibility

Charity and philanthropy are very old concepts for Indians. Long before the government promulgated the mandatory CSR spending provisions, we at Skipper under the guidance of our founder Late Shri Sadhuram Bansal were voluntarily engaged in several CSR activities. We have a long track record of undertaking various kinds of social and charitable activities across different sections of the society covering various geographical areas.

Skipper proactively engages with relevant stakeholders, understand their concerns and respond to their needs. We believe that an organization should focus on creating value in the long-term for the society as a whole. Our conscious endeavour is to serve the socio- economically backward, the under-privileged and the marginalized communities. The CSR committee of the Company identifies the areas which needs focus during the year and recommends the same to the Board. Majorly we take up activities through Skipper Foundation, and also engage with several other organizations having expertise in their relevant filed to carry out our CSR activities. The Key initiatives undertaken by the Company during the year are:

EDUCATION

Education has been a key driver of growth and progress of a society and keeping the same in mind Skipper has continuously worked towards the cause of education of underprivileged children. We run schemes like free distribution of books, laptops, scholarships, meal to students, supporting sports activities amongst students etc with the help of various organizations. We believe "You reap what you sow" and thus we focus on educating the children's who will be the future of the nation.



EKAL SCHOOL (ONE TEACHER SCHOOL)

The major activities undertaken by the Company during the year includes:

- Running of Ekal Schools (One teacher school) in the tribal belt of Assam with the help of Friends of Tribal Society. The Company contributed for running of 150 such schools in tribal belt of Assam and approximately 4100 students were benefitted by the scheme.
- Renovation of study hall at Burabazar Library, one of the oldest Library of Eastern India founded in year 1900. The newly built AC study hall has a capacity of accommodating 125 students and has state of art facilities for running virtual/satellite classes at very nominal rates. It is estimated that approximately 500 professional students will be benefitted each year under this project.
- Suryakiran is an evening school for the underprivileged children functioning under the aegis of 'The Kalyan Bharti Trust' in fulfillment of its deep desire towards the well being of the members of economically backward society. The Company actively supports the vision of Suryakiran and is an active contributor to the noble cause.
- The Company bears entire expenses for education of 17 students at a school in Dumma, Jharkhand.
- Construction of a hostel for accommodating tribal girls and renovation of Palasbari Boys High School at Palashbari, Assam.
- Providing round the year remuneration of 5 part time teachers to Mahishrekha Junior High School at Uluberia, West Bengal.
- Providing round the year electricity to Mahishrekha Junior Basic School at Uluberia, West Bengal.
- Providing Safety barricades to Kolkata Police towards road safety awareness programme.



PROMOTING HEALTH CARE

We undertake several activities to improve the quality of health and sanitation of people around us. Initiatives such as providing safe drinking water, construction of tube wells, construction of toilets, health check up camps, eye check up camps, blood donation camps are undertaken round the year to increase the Health Index of the remote villages.

The major activities undertaken by the Company during the year includes:

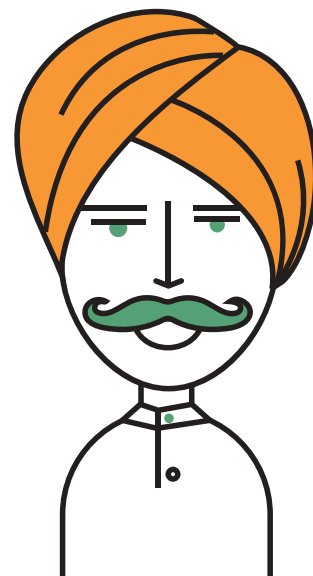
- Company has contributed towards purchase of laparoscopic equipments for Matri Bhawan Hospital, Kolkata. This equipment will be used to carry out many types of laparoscopic surgery for the low socio-economic sections of the society especially women & children.
- Skipper helps to run free Homeopathy centre at Tollygunge, Kolkata benefitting approximately 11000 patients yearly.
- Keeping health and sanitation in mind, we contribute towards maintenance of Nimtalla Burning Ghat at Kolkata.
- We run medical facilities for poor and under privileged with the help of Marwari Relief Society.
- 465 children with disability including Autism, Cerebral Palsy, Attention deficit disorder, Down syndrome, Learning disability, Hearing problems, ADHD, Cognitive disability, Speech and language disability were benefitted by the contribution made by the Company to UNMISH- Centre for Specialised Therapy for Children.
- We have constructed several tube well in villages near our factories.
- We have organized eye check up camps and blood donation camps around our factory areas.



Laparoscopic Equipments



Eye Check Up Camp



ANIMAL WELFARE

With the help of Calcutta Pinjrapole Society, the Company assists in round the year maintenance of old, sick, deserted cows by providing medical and food facilities.



Shri Kesari Nath Tripathi, Hon'ble Governor of West Bengal at an event organised by Kolkata Pinjrapole Society



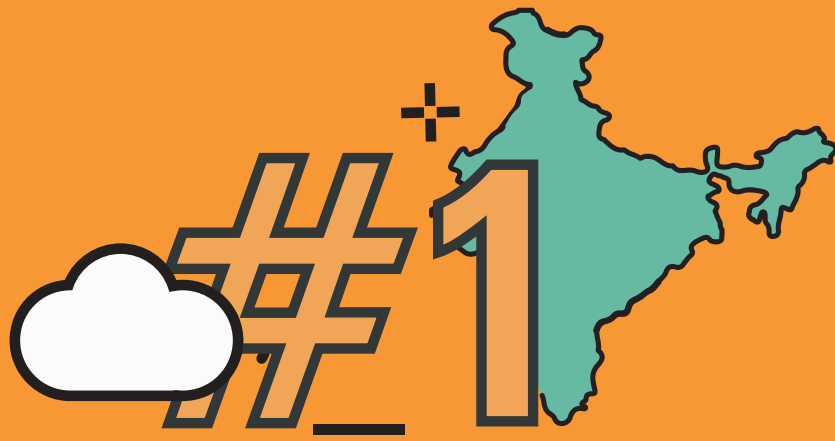
Devesh Bansal, Director signs MOU with Indian Plumbing Skills Council in presence of Mr. Rajiv Pratap Rudy, Hon'ble Union Minister of State Skill Development and Entrepreneurship (Independent Charge)

SKILL DEVELOPMENT

The Company has signed an exclusive Memorandum of Understanding with Indian Plumbing Skill Council (IPSC) under the aegis of National Skill Development Corporation (NSDC) which has been formed jointly by Government of India. Under this MoU IPSC and Skipper will provide training and certification to more than 10,000 youths.

The Company has also signed Memorandum of Understanding with Confederation of Real Estate Developer's Association of India (CREDAI) Bengal in persuasion of developing an institutional arrangement to impart placement linked vocational training programs to plumbers.

Note: The details of CSR expenditure made during the year is provided in Annexure B of Directors' Report



Statutory Reports

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 36th Annual Report together with the Annual Financial Statements for the financial year ended 31st March, 2017.

FINANCIAL SUMMARY

PARTICULARS	(₹ in million)	
	Financial Year	
	2016-17	2015-16
Net Income	17060.89	15113.89
Profit before Finance Cost, Depreciation, and Taxation	2491.64	2244.15
Less: Finance Cost	610.98	570.04
Less: Depreciation	315.47	241.15
Profit Before Taxation	1565.19	1432.96
Less: Tax Expenses	450.22	481.66
Profit After Taxation	1114.97	951.30

FINANCIAL PERFORMANCE HIGHLIGHTS

Your Company has achieved consistent, robust and continuing growth in the areas of its business segments. The Company's performance during the year has reached its expected goal and the Company continued to grow its market both domestic and international.

The net income of your Company increased to ₹ 17060.89 million from ₹ 15113.89 million in the previous year registering a growth of 12.88 %. At the same time Profit Before Taxation (PBT) has also increased to ₹ 1565.19 million from ₹ 1432.96 million in the previous year registering a growth of 9.23% and Profit After Taxation increased to ₹ 1114.97 millions from ₹ 951.30 million registering a growth of 17.20%.

DIVIDEND & RESERVES

The Board of Directors at its meeting held on 15th May, 2017, has recommended dividend of 155% i.e ₹ 1.55 per share on 10,23,16,462 equity shares of ₹ 1/- each fully paid up for the financial year ended 31st March, 2017, subject to approval of the shareholders at the ensuing Annual General Meeting.

No amount is proposed to be transferred to General Reserve.

STATE OF COMPANY'S AFFAIR AND CURRENT YEAR'S OUTLOOK

The performance of all verticals of the Company along with future outlook of the Company is discussed in the Management Discussion & Analysis Report which forms part of this Annual Report.

SHARE CAPITAL

The Paid-up Equity Share Capital of the Company as on 31st March, 2017 was ₹ 102,316,462 divided into 102,316,462 equity shares of face value of ₹ 1 each. During the financial year, there has been no change in the Equity Share Capital of the Company.

During the year, the Company has granted 7,75,000 options to the eligible employees under the 'Skipper Employee Stock Option Plan 2015' of the Company out of which 40,000 options lapsed during the year. The total number of outstanding options as on 31st March, 2017 stood at 11,45,000.

INDIAN ACCOUNTING STANDARDS (IND AS)

Pursuant to the notification, issued by The Ministry of Corporate Affairs dated February 16, 2015 relating to the Companies (Indian Accounting Standard) Rules, 2015, "IND AS" becomes applicable to the Company with effect from 1st April, 2017 with comparatives for the previous year ended 31st March, 2017. In order to ensure smooth transition to IndAS your Company has established a project team and has dedicated considerable resources.

DIRECTORS' REPORT

DIRECTORS & KEY MANAGERIAL PERSONNEL

Mr. Joginder Pal Dua (DIN: 02374358) was appointed as an Additional Director (Category – Independent) of the Company with effect from 1st February, 2016 by the Board of Directors and the shareholders of the Company at the Annual General Meeting held on 8th August, 2016 approved his appointment as an Independent Director, not liable to retire by rotation, for a term of 5 (five) consecutive years with effect from the date of appointment.

The Board of Directors had re-appointed Mr. Sajan Kumar Bansal (DIN: 00063555) as the Managing Director of the Company, not liable to retire by rotation, for a period of 3 years upto 30th September, 2019 and Mr. Devesh Bansal (DIN: 00162513) and Mr. Siddharth Bansal (DIN: 02947929) were re-appointed as Whole-time Directors of the Company, liable to retire by rotation for a period of 3 (three) years upto 31st March, 2019. These appointments were further approved by the shareholder at the Annual General Meeting of the Company held on 8th August, 2016.

Mr. Sanjay Kumar Agrawal is continuing as the Chief Financial Officer of the Company. During the year under review, Mr. Arbind Kumar Jain resigned from the position of Company Secretary and Compliance Officer of the Company with effect from 29th December, 2016. Based on the recommendation of Nomination and Remuneration Committee, Mr. Manish Agarwal, a qualified Company Secretary has been appointed by the Board of Directors as the Compliance Officer of the Company w.e.f 4th January, 2017. Further w.e.f 8th February, 2017, Mr. Manish Agarwal was appointed as the Company Secretary & Compliance Officer of the Company by the Board of Directors.

None of the Directors of the Company are disqualified for being appointed as Directors, as specified in Section 164(2) of the Companies Act, 2013 read with Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In accordance with the provisions of the Companies Act, 2013, Mr. Devesh Bansal (Din: 00162513), retire from office by rotation, and being eligible, has offered himself for re-appointment at the ensuing Annual General Meeting of the Company.

More details about the Directors of the Company are available in the Corporate Governance Report, forming part of this Annual Report.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTOR UNDER SECTION 149 OF THE COMPANIES ACT, 2013 AND SEBI (LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS), REGULATIONS 2015

All Independent Directors of the Company have confirmed that they meet the criteria of independence as prescribed under Section 149(6) of Companies Act, 2013 and Regulation 16 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

In accordance with the Regulation 25(7) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company follows the process of familiarizing the Independent Directors through training programmes at regular intervals.

At the time of appointment of an Independent Director, the Company issues formal letter of appointment outlining his/her role, responsibilities, function and duties as a Director. Copies of all policies and codes are also made available for better understanding of the Company. Presentations are made to the Independent Directors giving an overview of the Company, nature of industry, business model, operations, products, manufacturing process, marketing, finance and other important areas. This enables the Directors to take an informed decision and discharge their duties and responsibilities in an efficient manner.

The details of the familiarization programmes imparted by the Company to the Independent Directors during the financial year 2016-17 are available on the website of the Company <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS.pdf>.

COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF DIRECTORS

The Company has a policy in place for selection and appointment of Directors/ Key Managerial Personnel/ Senior Managerial Personnel and for determining their remuneration. The remuneration policy of the Company forms part of this report as **Annexure-A**.

DIRECTORS' REPORT

PERFORMANCE EVALUATION

In accordance with the provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has evaluated the performance of each individual Directors on parameters like level of engagement, contribution towards strategic planning, independence of judgment, safeguarding interest of the stakeholders along with roles and responsibilities performed by them.

The Independent Directors at their meeting held without the presence of Executive Directors have evaluated the performance of the Non Independent Directors, the Chairman of the Company and the Board as a whole.

After taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and by the Independent Directors, the Board carried out an evaluation of its own performance and that of its committees and individual Directors.

The Board of Directors expressed their satisfaction on the evaluation process and the performance of all the Directors, the Committees and the Board as a whole.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and belief, confirm that:

- (i) in the preparation of the Annual Accounts for the year ended 31st March, 2017, the applicable accounting standards read with requirements set out under Schedule III of the Companies Act, 2013, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies as mentioned in Note-1 to the Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company as at 31st March, 2017 and of the profit of the Company for the year ended on that day;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The Annual Accounts for the year ended 31st March, 2017 have been prepared on a "going concern" basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

MEETINGS OF THE BOARD

During the year 4 (four) Board Meetings were held. The details of the aforesaid meetings and the number of meetings attended by each director are furnished in the Report on Corporate Governance forming part of this report.

COMMITTEES OF THE BOARD

The Board 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 8th February, 2017)

DIRECTORS' REPORT

Apart from the above, the Company has two non-statutory committees namely the Finance Committee and the Executive Committee. The details of all the above Committees along with composition and details of meetings held during the year under review are provided in the Report on Corporate Governance forming part of this report. There has been no instance where the Board has not accepted the recommendations of the Audit Committee.

CORPORATE SOCIAL RESPONSIBILITY

The Company has framed and adopted a CSR Policy which is available at the following weblink <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/CSR-Policy.pdf>. The policy indicates the CSR activities to be undertaken by the Company to achieve its social commitments.

The Company's conscious endeavour is to serve the socio- economically backward, the under- privileged and the marginalized communities. The Company proactively engages with relevant stakeholders; understand their concerns and respond to their needs. We believe that growth and sustainability of the organization focuses on creating value in the long-term for the society as a whole. The CSR committee of the Company identifies the areas which needs focus during the year and recommends the same to the Board. The Board then approves a budget for the year and spends are made accordingly.

The Company has contributed its funds in activities like eradication of poverty, promotion of education, rural development projects, health and welfare projects, animal welfare, skill development etc.

The annual report on CSR pursuant to the Companies (Corporate Social Responsibility Policy) Rules, 2014 is provided in **Annexure- B** forming part of this report.

RISK MANAGEMENT

The Company has a defined Risk Management Framework to identify, assess, monitor and mitigate risks involved in its business. The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and the Board is fully committed to identify and mitigate the risks in the business.

The Company has formulated and implemented a Risk Management Policy in accordance with SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 to identify and monitor business risk of the Company and assist in measures to control and mitigate such risks.

The risk associated with the Company's business is always reviewed by the Audit Committee along with the management team of the Company and the Board is regularly informed about the risk assessment and minimization process conducted by the Company.

The risk management issues are discussed in Management Discussion and Analysis Report forming part of this Annual Report.

In the opinion of the Board, as on date there are no material risks which may threaten the existence of the Company.

INTERNAL CONTROL SYSTEMS & INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System and Internal Financial Control System commensurate with the size, scale and complexity of its operations. It ensures proper recording of financial and operational information and compliance of various internal control and other regulatory and statutory compliances.

The internal auditor monitors and evaluates the efficiency and adequacy of internal control system including internal financial control in the Company. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. All these steps facilitate timely detection of any irregularities and early remedial measures.

Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee for their inputs and suggestions.

Regular audit and review processes ensure that such systems are reinforced on an ongoing basis. Such controls have been tested during the year and no reportable material weakness in the design or operation was observed.

Necessary certification by the Statutory Auditors in relation to Internal Financial Control u/s 143(3) (i) of the Companies Act, 2013 forms part of the Audit Report.

DIRECTORS' REPORT

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has in place a Vigil Mechanism/ Whistle Blower Policy to deal with unethical behavior and to provide a framework to promote responsible and secured reporting of undesired activities.

The Vigil Mechanism/ Whistle Blower Policy is available on the website of the Company at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/Whistle-Blower-Policy.pdf>

The employees are free to report unethical behavior, actual or suspected fraud, violation of applicable laws and regulations, violation of code of conduct etc. The Audit Committee oversees the genuine concerns reported under this policy. The Company has also made provisions for adequate safeguard against victimization of employees who express their concerns. The mechanism also provides direct access to the Chairman of the Audit Committee. No Personnel has been denied access to the Audit Committee.

During the year, no case was reported under this policy.

RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

All related party transactions are placed before the Audit Committee for prior approval. The Company had taken omnibus approval from the Audit Committee for few related party transactions which were repetitive in nature.

A statement of all related party transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transaction.

The details of the transactions with related parties are provided in the Notes of the financial statement.

The Company's Policy on Related Party Transaction as approved by the Board is available on the website of the Company at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/RELATED-PARTY-TRANSACTIONS-POLICY.pdf>.

During the year under review, there were no materially significant related party transactions made by the Company nor there were any transactions which would require to be reported in Form AOC-2.

PREVENTION OF INSIDER TRADING

Your Company has adopted 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' as per the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the directors, designated persons and other connected persons of the Company.

The Company endeavours to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information. The Company is committed to transparency and fairness in dealing with all stakeholders and in ensuring adherence to all laws and regulations.

Every director, officer, employee of the Company has a duty to safeguard the confidentiality of all such information obtained in the course of his or her work at the Company. No director, officer or employee may use his or her position or knowledge of the Company to gain personal benefit or to provide benefit to any third party.

The Company has also adopted 'Code of Practice and Procedures for Fair Disclosure of Unpublished Price Sensitive Information' in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code aims to formulate a stated framework and policy for fair disclosure of events and occurrences that could impact price of the Company's securities. The Company endeavors to preserve the confidentiality of un-published price sensitive information and to prevent misuse of such information.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The Company has not given any loans, guarantees or made any investments as prescribed in Section 186 of the Companies Act, 2013.

DIRECTORS' REPORT

PARTICULARS OF EMPLOYEES AND MANAGERIAL REMUNERATION

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **Annexure- C** to this report.

The information pursuant to Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 not annexed to this report, is readily available for inspection by the members at the Company's Registered Office between 11.00 A.M to 1.00 P.M on all working days upto the date of ensuing Annual General Meeting. A member may also receive the required details by making a request to the Company Secretary through email on investor.relations@skipperlimited.com.

EMPLOYEE STOCK OPTION PLAN

The Company had formulated 'Skipper Employee Stock Option Plan 2015' in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 to encourage and reward the performing employees of the Company. The Scheme is monitored by the Nomination and Remuneration Committee (also functioning as Compensation Committee) of the Board.

During the year, no changes were made in Skipper Employee Stock Option Plan 2015 and the scheme is in compliance with SEBI (Share Based Employee Benefits) Regulations, 2014.

During the year, the Company has issued 7,75,000 stock options to its eligible employees out of which 40,000 options were lapsed. As on 31st March, 2017, the total outstanding options stood at 11,45,000.

The applicable disclosures as required under SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/sebi-disclosure-2014.pdf>

A Certificate from M/s Singhi & Co., Statutory Auditors, with respect to the implementation of the Company's Employee Stock Option Plan, would be placed at the ensuing Annual General Meeting for inspection by the Members and a copy will also available for inspection at the Registered office of the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of conservation of energy, technology absorption and foreign exchange earnings and outgo as per the requirement of Section 134(3) of Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is attached with this Report as **Annexure- D**.

STATUTORY AUDITORS AND AUDITOR'S REPORT

In accordance with Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rule, 2014, M/s. Singhi & Co., Chartered Accountants (Firm Registration No.: 302049E) were appointed as the Statutory Auditors of the Company at the Annual General Meeting of the Company held on 23rd September, 2014 for a term of five consecutive years. The continuance of statutory auditors shall be subject to ratification by the shareholders at every Annual General Meeting.

M/s. Singhi & Co. has given their consent to act as Auditors and have confirmed their eligibility under Section 141 of the Companies Act, 2013. The Board of Directors recommends their continuation as auditors of the Company for the FY 2017-18.

The resolution proposing continuance of M/s. Singhi & Co. as the Statutory Auditors of the Company, forms part of the Notice convening the Annual General Meeting. Members are requested to ratify their appointment as the Statutory Auditors of the Company and authorize the Board of Directors to fix their remuneration.

The Auditor's Report is self-explanatory and free from any qualifications or observations or adverse remarks nor have the Statutory Auditors reported any incident of fraud to the Audit Committee of the Company.

DIRECTORS' REPORT

COST AUDITORS

In accordance with Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Board of Directors had appointed M/s. AB & Co., Cost Accountants as the Cost Auditors of the Company for the FY 2016-17 and the shareholders have approved their remuneration at the 35th Annual General Meeting of the Company.

The Cost audit report for the year 2016-17 was free from any qualification and was submitted to the Ministry of Corporate Affairs within stipulated time.

Your Directors on the recommendation of Audit Committee of the Board has re-appointed M/s. AB & Co., Cost Accountants for conducting the cost audit for the FY 2017-18 and their remuneration is sought to be ratified by the shareholders at the forthcoming Annual General Meeting. A resolution regarding ratification of remuneration payable to cost auditors forms part of the Notice convening the Annual General Meeting of the Company and the members are requested to ratify the same.

SECRETARIAL AUDITORS

In accordance with Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Board of Directors had appointed M/s. MKB & Associates, Company Secretaries to conduct secretarial audit of the Company for the financial year 2016-17. The Secretarial Audit Report for the Financial Year ended 31st March, 2017 is annexed herewith as **Annexure- E**.

The Secretarial Audit Report issued by M/s. MKB & Associates does not contain any qualification, reservation or adverse remarks.

INTERNAL AUDITORS

In accordance with Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Board of Directors has appointed M/s. R. Kothari & Co., Chartered Accountants as Internal Auditors of the Company.

The Internal Audit Reports are generally placed before the Audit Committee and the Board on quarterly basis and necessary actions on audit findings are taken after due discussions.

EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT-9 is annexed herewith as **Annexure- F**.

DEPOSITS

Your Company has not accepted any deposits from public under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014, during the financial year 2016-17. Further there is no unclaimed deposit as on 31st March, 2017.

CORPORATE GOVERNANCE

The Company has complied with the Corporate Governance requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015. The Report on Corporate Governance is attached with this Annual Report separately.

A certificate issued by M/s. Singhi & Co., Statutory Auditors confirming compliance with corporate governance requirements is also attached with this Annual Report.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

The Management Discussion and Analysis Report is annexed to and forms part of the Annual Report in compliance of Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

DIRECTORS' REPORT

DIVIDEND DISTRIBUTION POLICY

In accordance with Regulation 43A of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the top five hundred listed companies based on market capitalization as on 31st March of every financial year is required to formulate a dividend distribution policy of the Company.

Your Company feels immense pleasure to share with its stakeholders that the Company was amongst top five hundred listed companies based on market capitalization as on 31st March, 2016 and has accordingly formulated a Dividend Distribution Policy which is disclosed on the Company's website <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/dividend.pdf> and also forms part of this report as **Annexure- G**.

BUSINESS RESPONSIBILITY REPORT

In accordance with the Regulation 34(2)(f) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the top five hundred listed companies based on market capitalization as on 31st March of every financial year is required to disclose a business responsibility report describing the initiatives taken by the companies from an environmental, social and governance perspective.

Your Company feels immense pleasure to share with its stakeholders that the Company was amongst top five hundred listed companies based on market capitalization as on 31st March, 2016. The Business Responsibility Report of the Company for the financial year ended 31st March, 2017 is attached as **Annexure- H** and forms part of this Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company has 2245 permanent employees as of the year end and comprises of very high quality professionals at various levels and departments from finance, engineering, technical, marketing and legal fields. The employees are provided with various training and induction programmes which leads to sustainable growth within the organization and the society at a large.

The Company has adopted an Employee Stock Option Plan and intends to use this Plan to attract and retain key talents working with the Company by way of rewarding their performance and motivate them to contribute to the overall corporate growth.

The Company is ISO 18001 and ISO 14001 Certified for Health and Safety Standards and Environment Management Standards. During the year the Company was awarded for Continuous HR Innovation for Business Excellence at the Global HR Excellence Awards organized by World HRD Congress.

During the year, the Company maintained cordial relation with all its employees and workers.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company has formulated and adopted a Policy for Prevention, Prohibition and Redressal of Sexual Harassment at Workplace as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rules made thereunder.

The policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto. The Company has constituted an Internal Complaints Committee (ICC) in accordance with the aforesaid act.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

GENERAL

Your Directors state that:

1. During the year under review, there has been no change in the nature of business of the Company.
2. No material changes and commitments affecting the financial position of the Company have occurred from the close of the financial year ended 31st March, 2017 till the date of this Report.

-
3. During the year, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operation in future.
 4. The Company does not have any subsidiary or associate or joint venture Company during the year ended 31st March, 2017.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation and is thankful for the assistance and co-operation received from the Financial Institution, Bank, Government Authorities, Customers, Suppliers, Business Associates, Stock Exchanges, Shareholders, all other stakeholders and the society as a whole.

Your Directors also place on record their sincere appreciation for efforts by the Company's executives, employees, staffs and workers for continuous contribution and service to the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

ANNEXURE TO DIRECTORS' REPORT

Annexure - A

REMUNERATION POLICY FOR THE MEMBERS OF BOARD AND EXECUTIVE MANAGEMENT

1. PREAMBLE

- 1.1 The remuneration policy provides a framework for remuneration paid to the members of the Board of Directors ("Board"), Key Managerial Personnel ("KMP") and the Senior Management Personnel ("SMP") of the Company (collectively referred to as "Executives"). The expression "senior management" means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
- 1.2 In terms of Section 178 of the Companies Act, 2013 which has been made effective from April 1, 2014 by the Central Government vide notification no.S.O. 902(E) issued on March 26, 2014, this Remuneration Policy named as Skipper Limited Remuneration Policy ("the Policy") is being framed and formulated for laying down criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.
- 1.3 The policy will be reviewed by the Nomination and Remuneration Committee of the Board of Directors, as when required.

2. AIMS & OBJECTIVES

- 2.1 The aims and objectives of this remuneration policy may be summarized as follows:
 - 2.1.1 The remuneration policy aims to enable the company to attract, retain and motivate highly qualified members for the Board and other executive level.
 - 2.1.2 The remuneration policy seeks to enable the company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant Indian corporate regulations.
 - 2.1.3 The remuneration policy will ensure that the interests of Board members & senior executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for-performance" principle.
 - 2.1.4 The remuneration policy will ensure that remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

3. PRINCIPLES OF REMUNERATION

- 3.1 **Support for Strategic Objectives:** Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Company's vision and strategy.
- 3.2 **Transparency:** The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.
- 3.3 **Internal equity:** The Company shall remunerate the board members, KMP and senior management in terms of their roles within the organization. Positions shall be formally evaluated to determine their relative weight in relation to other positions within the Company.
- 3.4 **External equity:** The Company strives to pay an equitable remuneration, capable of attracting and retaining high quality personnel. Therefore the Company will remain logically mindful of the ongoing need to attract and retain high quality people, and the influence of external remuneration pressures. Reference to external market norms will be made using appropriate market sources, including relevant and comparative survey data, as determined to have meaning to the Company's remuneration practices at that time.
- 3.5 **Flexibility:** Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the Company whilst complying with relevant tax and other legislation.
- 3.6 **Performance-Driven Remuneration:** The Company shall entrench a culture of performance driven remuneration through the implementation of the Performance Incentive System.

ANNEXURE TO DIRECTORS' REPORT

Annexure - A

3.7 Affordability and Sustainability: The Company shall ensure that remuneration is affordable on a sustainable basis.

4. NOMINATION AND REMUNERATION COMMITTEE

4.1 The Board shall constitute Nomination and Remuneration Committee. Members of the Committee shall comprise of three or more non-executive directors out of which not less than one-half are independent directors.

4.2 The Committee is responsible for:

4.2.1 Formulating framework and/or policy for remuneration, terms of employment and any changes, including service contracts, remuneration, policy for and scope of pension arrangements, etc for Executives and reviewing it on a periodical basis.

4.2.2 Formulating criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the Executives.

4.2.3 Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down in this policy, recommend to the Board their appointment and removal and carry out evaluation of every director's performance.

4.2.4 Formulating terms for cessation of employment and ensure that any payments made are fair to the individual and the company, that failure is not rewarded and that the duty to mitigate loss is fully recognized.

4.3 The Committee shall:

4.3.1 review the ongoing appropriateness and relevance of the remuneration policy;

4.3.2 ensure that all provisions regarding disclosure of remuneration, including pensions, are fulfilled;

4.3.3 obtain reliable, up-to-date information about remuneration in other companies;

4.3.4 ensure that no director or executive is involved in any decisions as to their own remuneration.

4.4 Without prejudice to the generality of the terms of reference to the Remuneration Committee set out above, the Remuneration Committee shall:

4.4.1 review the terms of executive Directors' service contracts from time to time.

5. PROCEDURE FOR SELECTION AND APPOINTMENT OF THE BOARD MEMBERS

5.1 Board membership criteria

5.1.1 The Committee, along with the Board, reviews appropriate skills, qualifications, characteristics and experience required of the Executives for the better management of the Company. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

5.1.2 In evaluating the suitability of individual Board members, the Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing the Company.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions.

5.1.3 In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

ANNEXURE TO DIRECTORS' REPORT

Annexure - A

5.1.4 The Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

5.2 Selection of Board Members/extending invitation to a potential Director to join the Board.

5.2.1 One of the roles of the Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of the Company. The Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

5.2.2 The Board then makes an invitation (verbal/written) to the new member to join the Board as a Director. On acceptance of the same, the new Director may be appointed by the Board.

6. PROCEDURE FOR SELECTION AND APPOINTMENT OF EXECUTIVES OTHER THAN BOARD MEMBERS

6.1 The Committee shall actively liaise with the relevant departments of the Company to study the requirement for management personnel. The Committee may conduct a wide-ranging search for candidates for the positions of KMP and SMP within the Company, within enterprises controlled by the Company and on the human resources market;

6.2 The professional, academic qualifications, professional titles, detailed work experience and all concurrently held positions of the initial candidates shall be compiled as a written document;

6.3 A meeting of the Committee shall be convened, and the qualifications of the initial candidates shall be examined on the basis of the conditions for appointment of KMP and SMP;

6.4 Before the selection of KMP or SMP, the recommendations of and relevant information on the relevant candidate(s) shall be submitted to the Board of Directors;

6.5 The Committee shall carry out other follow-up tasks based on the decisions of and feedback from the Board of Directors.

7. COMPENSATION STRUCTURE

7.1 Remuneration to Non-Executive Directors:

The Non-executive Directors of the Company are paid remuneration by way of sitting fees for attending the meetings of the Board of Directors and its Committees. The said sitting fees paid to the Non-executive Directors for the Board Meetings and Committee meetings are fixed by the Board and reviewed from time to time in accordance with applicable law. The Non-executive Directors may be paid such remuneration as the Board may approve from time to time subject to limits prescribed from time to time in the Act or Rules made thereunder.

7.2 Remuneration to Executive Directors, Key Managerial Personnel(s) (KMPs) & Senior Management Personnel(s) (SMPs):

The Company has a credible and transparent framework in determining and accounting for the remuneration of the Managing Director/Whole Time Directors (MD/WTDs), Key Managerial Personnel(s) (KMPs) and Senior Management Personnel(s) (SMPs). Their remuneration are governed by the external competitive environment, track record, potential, individual performance and performance of the company as well as industry standards.

The Executive Directors are neither paid sitting fee nor any commission.

8. ROLE OF INDEPENDENT DIRECTORS

8.1 The Committee shall, in consultation with the Independent Directors of the Company prepare and submit this policy to the Board for its approval.

ANNEXURE TO DIRECTORS' REPORT

Annexure - A

- 8.2 The Independent Directors shall have power and authority to determine appropriate levels of remuneration of Executive Directors, Key Managerial Personnel and Senior Management and have a prime role in appointing and where necessary recommend removal of Executive Directors, Key Managerial Personnel and Senior Management.
- 8.3 The Independent Directors shall submit its recommendations/proposals/decisions to the Committee which the committee shall consult and take to the Board of Directors.

9. APPROVAL AND PUBLICATION

- 9.1 This remuneration policy as framed by the Committee shall be recommended to the Board of Directors for its approval.
- 9.2 This policy shall be hosted on the company's website.
- 9.3 The policy shall form part of Director's report to be issued by the Board of Directors in terms of Companies Act, 2013.

10. SUPPLEMENTARY PROVISIONS

- 10.1 Any matters not provided for in this Policy shall be handled in accordance with relevant State laws and regulations and the Company's Articles of Association. If this Policy conflict with any laws or regulations subsequently promulgated by the state or with the Company's Articles of Association as amended pursuant to lawful procedure, the relevant state laws and regulations and the Company's Articles of Association shall prevail, and this Policy shall be amended in a timely manner and submitted to the Board of Directors for review and adoption.
- 10.2 The right to interpret this Policy vests in the Board of Directors of the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

ANNEXURE TO DIRECTORS' REPORT

Annexure - B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR ENDED 31ST MARCH, 2017

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

Skipper has always been conscious of its social responsibilities and has actively contributed to the social and economic development of the society. We believe that CSR activities create dynamic relationship between a Company and the society on one hand and the environment on the other.

The CSR policy of the Company has been prepared in accordance with the requirements of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has been duly approved and adopted by the Board. The policy is available at <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/CSR-Policy.pdf>

The Policy function's as a built-in mechanism whereby the Company monitors and ensures its active and full compliance so as to meet the designated ethical goals and standards. The main objective of the Policy is to establish the basic principles and a general framework of action for the management to undertake and fulfill its corporate social responsibility.

The Company has over the years, contributed substantially for development in the field of health, education, skill development, animal welfare to improve the general standard of living in and around its work.

2. Composition of the CSR Committee:

Name of the Member	Designation
Mr. Manindra Nath Banerjee	Chairman
Mr. Sajjan Kumar Bansal	Member
Mr. Devesh Bansal	Member

3. Average Net Profit of the Company for last three financial year : 1058.05 million

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : 21.16 million

5. Details of CSR spent during the financial year :

(a) Total amount to be spent for the financial year : 21.16 million

(b) Amount unspent, if any : Not applicable

(c) Manner in which the amount spent during the financial year 2016-17 is detailed below:

Sl	CSR Project or Activities identified	Sector in which the project or activities is covered	Project or programs (1) Local area or other (2) Specify the State and District where the project or programs was undertaken	Amount outlay (Budget) project or programs wise (₹ in million)	Amount spent on the projects or programs (₹ in million)	Cumulative expenditure upto reporting period (₹ in million)	Amount Spent: Direct or through implementing Agency
1	Contribution towards various initiatives for promotion of education, Adoption of one teacher schools for literacy project of tribal children, Support for running free evening school 'Suryakiran', Construction of school building, distribution of school books and bags for underprivileged students, Renovation of study hall with modern amenities for virtual classes at library premises, Support towards infrastructure development of Palashbari Boys High School, Contribution towards road safety awareness programs, Scholarship/ Assistance to underprivileged students, Contribution towards Skill Development programmes.	Promoting education including special education, Promoting employment enhancement vocational skills and livelihood enhancement project	In various parts of West Bengal and Assam	11.03	11.17	11.17	Direct & Implementing Agencies: Friends of Tribal Society, Kalyan Bharti Trust, Kurpai Unnayani Society Burrabazar Library, Skipper Foundation

ANNEXURE TO DIRECTORS' REPORT
Annexure - B

Sl	CSR Project or Activities identified	Sector in which the project or activities is covered	Project or programs (1) Local area or other (2) Specify the State and District where the project or programs was undertaken	Amount outlay (Budget) project or programs wise (₹ In million)	Amount spent on the projects or programs (₹ In million)	Cumulative expenditure upto reporting period (₹ In million)	Amount Spent: Direct or through implementing Agency
2	Running and supporting medical facilities for poor & underprivileged, Support by installing Instruments for Laparoscopic Surgery at Hospital, Distribution of Medicine to poor people, Contribution towards organizing Blood Donation and Eye Camp near factory premises, Contribution towards fire-detection and fire-fighting system at hospital, Contribution towards upliftment of children with disability, Provision of safe drinking water/tubewell in villages near to factory, Promoting sanitation.	Promoting Healthcare including preventing healthcare, Promoting sanitation, Making available safe drinking water.	In various parts of West Bengal	6.21	6.21	6.21	Direct & Implementing Agencies: Ram Krishna Sarda Mission, Rural Health Care Foundation, Shree Vishudanand Hospital, Alipore Unmish Society, West Bengal Handicapped Right Commission, Skipper Foundation
3	Contribution towards Animal Welfare	Animal Welfare	In various parts of West Bengal	2.65	2.78	2.78	Implementing Agency: Calcutta Pinjrapole Society and Akhil Bhartiya Goraksha Sansthan
4	Contribution towards promotion of Art and Culture	Promoting Art & Culture	Kolkata, West Bengal	0.30	0.30	0.30	Implementing Agency : Lok Sanskriti
5	Contribution towards Rural Development	Rural Development	In various parts of West Bengal	1.50	1.50	1.50	Direct & Implementing Agency: Skipper Foundation
Total CSR Spend				21.70	21.96	21.96	

6. Responsibility statement of the CSR Committee

The CSR Committee affirms that the implementation and monitoring of Corporate Social Responsibility (CSR) Policy is in compliance with CSR objectives and policy of the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Manindra Nath Banerjee
Chairman- CSR Committee
DIN: 00312918

ANNEXURE TO DIRECTORS' REPORT

Annexure - C

DETAILS UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- (i) Ratio of remuneration of each director to the median remuneration of employees of the Company for the financial year 2016-17, Percentage increase in remuneration of each Directors, Chief Financial Officer and Company Secretary during the financial year 2016-17 are as under:

Sl. No.	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to the Median remuneration of employees	Percentage increase in Remuneration
Executive Directors				
1.	Mr. Sajan Kumar Bansal	Managing Director	251.90:1	60 %
2.	Mr. Sharan Bansal	Executive Director	125.95:1	60 %
3.	Mr. Devesh Bansal	Executive Director	125.95:1	60 %
4.	Mr. Siddharth Bansal	Executive Director	125.95:1	60 %
Non Executive Directors (only commission has been considered)				
5.	Mr. Amit Kiran Deb	Independent Director	0.52:1	NA
6.	Mr. Manindra Nath Banerjee	Independent Director	0.52:1	NA
7.	Mr. Joginder Pal Dua	Independent Director	0.52:1	NA
8.	Mrs. Mamta Binani	Independent Director	0.52:1	NA
Key Managerial Personnel				
9.	Mr. Sanjay Kumar Agrawal	Chief Financial Officer	NA	74.80%
10.	Mr. Arbind Kumar Jain	Company Secretary (upto 29 th December, 2016)	NA	NA
11.	Mr. Manish Agarwal	Company Secretary (w.e.f. 8 th February, 2017)	NA	NA

- (ii) The percentage increase in the median remuneration of employees in the financial year 2016-17 was 18.63%.
- (iii) The Company has 2245 permanent employees on the rolls of the Company as on 31st March, 2017.
- (iv) Average percentile increase in the salaries of employees other than the managerial personnel in the financial year was 15%, whereas the average percentile increase in the managerial remuneration was 60%.

Increase in remuneration granted is based interalia on an overall appraisal of talent brought to the table, Company's business interests and remuneration policy/reward philosophy.

- (v) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2017 is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

ANNEXURE TO DIRECTORS' REPORT

Annexure - D

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014

A. CONSERVATION OF ENERGY

(i) **Steps taken or impact on conservation of energy:**

The Company gives high priority towards conservation of energy on an ongoing basis. Energy consumption is monitored and due care is taken in proper utilization of the energy. Regular maintenance of plant & machinery, installation of automated machines and watchful supervision results in reduction in energy consumption. Steps are also taken for replacing defective and inefficient equipments as and when required. Few major steps taken for conservation of energy are as follows:

- **Utilization of waste flue gas from zinc melting furnace in drier of Galvanizing Plant:**

The zinc melting furnace in our Galvanizing plant is Furnace oil fired, which on combustion produces flue gas. The waste hot flue gas is then transferred to hot air drier for heating the chamber before being released into the atmosphere through Stack. Operation of hot air drier through waste flue gas eliminates the use of any fuel for drier, thereby conserving precious energy fuel.

- **Use of Recuperator in our Rolling Mill:**

In our industry recuperator in rolling mill is linked with reheating furnace of rolling mill. The recuperator transfers some of the waste heat in the exhaust to the furnace air, thus preheating it before entering the fuel burner stage. Since the gases have been pre-heated, less fuel is needed to heat the gases up to the furnace inlet temperature. By recovering the energy, usually lost as waste, heating the recuperator can make reheating furnace more efficient. This ultimately leads to less use of fuel, conserving precious energy fuel.

(ii) **Steps taken by the Company for utilizing alternate sources of energy:**

Use of LPG in place of Furnace Oil:

The zinc melting furnace of Galvanizing Plant was previously Furnace Oil fired. It has been recently substituted with LPG, which is relatively a very cleaner fuel and also more sustainable than Furnace Oil. The use of LPG over Furnace Oil minimizes environmental pollution and also leads to more efficiency.

(iii) **Capital investment on energy conservation equipments:**

Investment, wherever required for conservation of energy are proactively made by the Company.

B. TECHNOLOGY ABSORPTION

(i) **Efforts made towards technology absorption:**

The Company is using new technology machines for better production and effective utilization of resources. All the lathe machines in PVC division have been substituted with CNC machine increasing the efficiency. Manufacturing process is continuously monitored to ensure better productivity.

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution, etc:**

- Improved productivity and cost reduction.
- Introduction of new and improved products.
- Improvement in product quality.

The above has helped the Company to satisfy the consumers need and business requirements.

ANNEXURE TO DIRECTORS' REPORT

Annexure - D

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

Sl. No.	Details of Technology Imported	Year of Import	Absorption
1	Drilling Machine	2016-17	Fully Absorbed
2	Machine Cjhz120 High Speed Plate Drill	2016-17	Fully Absorbed
3	Machine Cjhz120 High Speed Plate Drill	2016-17	Fully Absorbed
4	Machine Cjhz120 High Speed Plate Drill	2016-17	Fully Absorbed
5	Cnc Punchang Marking & Cutting Machine	2016-17	Fully Absorbed
6	Motorized Flat Truck	2016-17	Fully Absorbed
7	CNC Tandem Hydraulic Press Brake	2015-16	Fully Absorbed
8	Automatic Pole Welding Machine	2015-16	Fully Absorbed
9	Galvanising Furnace	2015-16	Fully Absorbed
10	Fully Recirculating Four Station Dryer	2015-16	Fully Absorbed
11	Zinc Kettle	2015-16	Fully Absorbed
12	Motorized flat truck, Battery, Press Break Pipe Punch, Big Pipe Punch Holding Device, Small Pipe Punch Holder, Bottom Tool Modification + Bolts	2015-16	Fully Absorbed
13	2000L Five Layers Blow Molding Machine, 500L Mold, 750L Mold, 1000L Mold, 1500L Mold, 2000L Mold, Injection Lid Mold	2015-16	Fully Absorbed
14	CNC Machine	2014-15	Fully Absorbed
15	Drilling Machine	2014-15	Fully Absorbed

(iv) Expenditure incurred on Research and Development (R&D):

No major expenses have been incurred on R&D except expenditure on market research and surveys.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO DURING THE YEAR

	<u>₹ in million</u>
Foreign Exchange earned	2220.94
Foreign Exchange outgo	180.52
CIF value of Imports	1694.01

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

ANNEXURE TO DIRECTORS' REPORT

Annexure - E

FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
SKIPPER LIMITED

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

The Company's Management is responsible for preparation and maintenance of secretarial and other records and for devising proper systems to ensure compliance with the provisions of applicable laws and Regulations.

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2017, to the extent applicable, according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 and Rules made thereunder;
- iii) The Depositories Act, 1996 and Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct investment and External Commercial Borrowings;
- v) The Regulations and Guidelines prescribed under the Securities & Exchange Board of India Act, 1992 ("SEBI Act") or by SEBI, to the extent applicable:
 - a) The Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011.
 - b) The Securities & Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - c) The Securities & Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
 - e) The Securities & Exchange Board of India (Issue and listing of Debt securities) Regulations, 2008.
 - f) The Securities & Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
 - g) The Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - h) The Securities & Exchange Board of India (Buyback of Securities) Regulations, 1998.
- vi) Other than fiscal, labour and environmental laws which are generally applicable to all manufacturing/trading companies, no other laws/acts are specifically applicable to the Company.

ANNEXURE TO DIRECTORS' REPORT

Annexure - E

We have also examined compliance with the applicable clauses of the following:

- a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- b) Provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- c) None of the directors in any meeting dissented on any resolution and hence there was no instance of recording any dissenting member's view in the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there are no specific events/ actions which have any major bearing on the Company's affairs.

This report is to be read with our letter of even date which is annexed as Annexure – I which forms an integral part of this report.

For **MKB & Associates**
Company Secretaries

Raj Kumar Banthia
[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Place: Kolkata
Date: 15th May, 2017

ANNEXURE TO DIRECTORS' REPORT
Annexure - I of MR-3

To
The Members,
SKIPPER LIMITED

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For **MKB & Associates**
Company Secretaries

Raj Kumar Banthia

[Partner]

ACS no. 17190

COP no. 18428

FRN: P2010WB042700

Place: Kolkata
Date: 15th May, 2017

ANNEXURE TO DIRECTORS' REPORT

Annexure - F

FORM NO. MGT- 9
EXTRACT OF ANNUAL RETURN
As On The Financial Year Ended on 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company (Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	L40104WB1981PLC033408
2	Registration Date	05/03/1981
3	Name of the Company	SKIPPER LIMITED
4	Category/ Sub-category of the Company	Public Company/Limited by Shares
5	Address of the Registered office & contact details	3A, Loudon Street, Kolkata - 700 017, Tel.: 033-22892327/5731, Fax.: 033-22895733
6	Whether listed company	Yes
7	Name, Address & Contact details of the Registrar & Transfer Agent, if any.	M/s. ABS Consultant Private Limited, 4 B. B. D Bag (East), Stephen House, Room No.: 99, 6 th Floor, Kolkata - 700 001, Tel.: 033-22301043, Fax: 033-22430153

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Engineering Products	25119	83.36
2	Polymer Products	22209	11.80

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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The Company does not have any holding, subsidiary or associate company

IV. SHARE HOLDING PATTERN

(Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2016]				No. of Shares held at the end of the year [As on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	42,442,537	-	42,442,537	41.48%	42,436,537	-	42,436,537	41.48%	0.00%
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	31,607,625	-	31,607,625	30.89%	29,607,625	-	29,607,625	28.94%	-1.96%
e) Banks/ FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1):-	74,050,162	-	74,050,162	72.37%	72,044,162	-	72,044,162	70.41%	-1.96%

ANNEXURE TO DIRECTORS' REPORT
Annexure - F

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2016]				No. of Shares held at the end of the year [As on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRI - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks/ FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2):-	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	74,050,162	-	74,050,162	72.37%	72,044,162	-	72,044,162	70.41%	-1.96%
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	2,945,387	-	2,945,387	2.88%	8,738,618	-	8,738,618	8.54%	5.66%
b) Banks/ FI	-	-	-	-	6,373	-	6,373	0.01%	0.01%
c) Central Government	-	-	-	-	-	-	-	-	-
d) State Government (s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	318,560	-	318,560	0.31%	22,500	-	22,500	0.02%	-0.29%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others :-									
- Foreign Portfolio Investors	166,853	-	166,853	0.16%	1,559,235	-	1,559,235	1.52%	1.36%
Sub-total (B)(1):-	3,430,800	-	3,430,800	3.35%	10,326,726	-	10,326,726	10.09%	6.74%
(2) Non-Institutions									
a) Bodies Corporate									
i) Indian	15,905,589	-	15,905,589	15.55%	11,469,378	-	11,469,378	11.21%	-4.34%
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	4,140,865	12801	4,153,666	4.06%	4160254	11001	4,171,255	4.08%	0.02%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	2,980,220	-	2,980,220	2.91%	1410475	-	1,410,475	1.38%	-1.53%
c) Others :									
- Non Resident Indians	589,912	-	589,912	0.58%	509,866	-	509,866	0.50%	-0.08%
- Alternate Investment Funds	1,206,113	-	1,206,113	1.18%	2,350,000	-	2,350,000	2.30%	1.12%
- NBFC registered with RBI	-	-	-	-	34,500	-	34,500	0.03%	0.03%
- Trust	-	-	-	-	100	-	100	-	0.00%
Sub-total (B)(2):-	24,822,699	12,801	24,835,500	24.28%	19,934,573	11,001	19,945,574	19.49%	-4.78%

ANNEXURE TO DIRECTORS' REPORT
Annexure - F

Category of Shareholders	No. of Shares held at the beginning of the year [As on 1 st April, 2016]				No. of Shares held at the end of the year [As on 31 st March, 2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total Public shareholding (B) = (B)(1)+(B)(2)	28,253,499	12,801	28,266,300	27.63%	30,261,299	11,001	30,272,300	29.59%	1.96%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	102,303,661	12,801	102,316,462	100.00%	102,305,461	11,001	102,316,462	100.00%	0.00%

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year [As on 1 st April, 2016]			Shareholding at the end of the year [As on 31 st March, 2017]			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Meera Bansal	2,779,859	2.72%	-	2,779,859	2.72%	-	-
2	Devesh Bansal	3,622,175	3.54%	-	3,622,175	3.54%	-	-
3	Sharan Bansal	4,696,955	4.59%	-	4,696,955	4.59%	-	-
4	Sumedha Bansal	5,766,631	5.64%	-	5,766,631	5.64%	-	-
5	Rashmi Bansal	6,864,396	6.71%	-	6,864,396	6.71%	-	-
6	Siddharth Bansal	10,468,725	10.23%	-	10,468,725	10.23%	-	-
7	Sajan Kumar Bansal	8,243,796	8.06%	-	8,237,796	8.05%	-	-0.01%
8	Vaibhav Metals Private Limited	367,500	0.36%	-	367,500	0.36%	-	-
9	Utsav Ispat Private Limited	380,625	0.37%	-	380,625	0.37%	-	-
10	Skipper Polypipes Private Limited	399,000	0.39%	-	399,000	0.39%	-	-
11	Samriddhi Ferrous Private Limited	1,443,750	1.41%	-	1,443,750	1.41%	-	-
12	Aakriti Alloys Private Limited	1,979,250	1.93%	-	1,979,250	1.93%	-	-
13	Ventex Trade Private Limited	4,987,500	4.87%	-	4,987,500	4.87%	-	-
14	Skipper Plastics Limited	22,050,000	21.55%	-	20,050,000	19.60%	-	-1.95%
	Total	74,050,162	72.37%	-	72,044,162	70.41%	-	-1.96%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Sajan Kumar Bansal						
	At the beginning of the year			8,243,796	8.06%	-	-
	Changes during the year	07.04.2016	Transfer	5,900	0.01%	8,237,896	8.05%
		03.06.2016	Transfer	100	0.00%	8,237,796	8.05%
	At the end of the year			-	-	8,237,796	8.05%
2	Skipper Plastics Limited						
	At the beginning of the year			22,050,000	21.55%	-	-
	Changes during the year	13.01.2017	Sale	2,000,000	1.95%	20,050,000	19.60%
	At the end of the year			-	-	20,050,000	19.60%

** There was no changes in shareholding of any other promoter

ANNEXURE TO DIRECTORS' REPORT
Annexure - F

**(iv) Shareholding Pattern of top ten Shareholders as on 31.03.2017
(other than Directors, Promoters and Holders of GDRs and ADRs)**

Sl. No.	For each of the Top 10 Shareholders(#)	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	AAKARSHAN TRACOM PRIVATE LIMITED						
	At the beginning of the year			4,117,500	4.02%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	4,117,500	4.02%
2.	DSP BLACKROCK MICRO CAP FUND						
	At the beginning of the year			1,553,372	1.52%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	1,553,372	1.52%
3.	PURUSHOTTAM DISTRUBUTORS PRIVATE LIMITED						
	At the beginning of the year			1,368,150	1.34%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	1,368,150	1.34%
4.	DSP BLACKROCK EMERGING STARS FUND						
	At the beginning of the year			1,206,113	1.18%	-	-
	Changes during the year	08.04.2016	Purchase	404,000	0.39%	1,610,113	1.57%
		22.07.2016	Purchase	8,396	0.01%	1,618,509	1.58%
		29.07.2016	Purchase	709,088	0.69%	2,327,597	2.27%
		07.10.2016	Purchase	22,403	0.02%	2,350,000	2.30%
	At the end of the year			-	-	2,350,000	2.30%
5.	BONUS RETAILS PRIVATE LIMITED						
	At the beginning of the year			1,155,000	1.13%	-	-
	Changes during the year	21.10.2016	Sale	251,500	0.25%	903,500	0.88%
		28.10.2016	Purchase	83,000	0.08%	986,500	0.96%
		06.01.2017	Sale	100,000	0.10%	886,500	0.87%
		13.01.2017	Sale	886,500	0.87%	0	0.00%
	At the end of the year			-	-	0	0.00%
6.	DHANVRIDDHI AGENCIES PRIVATE LIMITED						
	At the beginning of the year			980,000	0.96%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	980,000	0.96%
7.	DSP BLACKROCK INDIA T.I.G.E.R. FUND						
	At the beginning of the year			786,594	0.77%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	786,594	0.77%
8.	ROSELIFE ENCLAVE PRIVATE LIMITED						
	At the beginning of the year			706,000	0.69%	-	-
	Changes during the year	23.09.2016	Sale	706,000	0.69%	0	0.00%
	At the end of the year			-	-	0	0.00%
9.	LIFEMAKE AGENCY PRIVATE LIMITED						
	At the beginning of the year			701,250	0.69%	-	-
	Changes during the year	13.01.2017	Sale	701,250	0.69%	0	0.00%
	At the end of the year			-	-	0	0.00%

ANNEXURE TO DIRECTORS' REPORT

Annexure - F

Sl. No.	For each of the Top 10 Shareholders(#)	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
10.	LOOKLINE VINIMAY PRIVATE LIMITED						
	At the beginning of the year			980,000	0.96%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	980,000	0.96%
11.	L AND T MUTUAL FUND TRUSTEE LIMITED- L AND T INDIA PRUDENCE						
	At the beginning of the year			0	0.00%	-	-
	Changes during the year	13.01.2017	Purchase	1,283,191	1.25%	1,283,191	1.25%
		20.01.2017	Purchase	30,000	0.03%	1,313,191	1.28%
		03.02.2017	Purchase	15,000	0.01%	1,328,191	1.30%
		03.03.2017	Purchase	25,000	0.02%	1,353,191	1.32%
	At the end of the year			-	-	1,353,191	1.32%
12.	ICG Q LIMITED						
	At the beginning of the year			0	0.00%	-	-
	Changes during the year	26.08.2016	Purchase	11,00,000	1.07%	11,00,000	1.07%
		30.09.2016	Purchase	2,00,000	0.19%	13,00,000	1.27%
		25.11.2016	Purchase	5,000	0.00%	13,05,000	1.28%
	At the end of the year			-	-	1,305,000	1.28%
13.	L AND T MUTUAL FUND TRUSTEE LIMITED- L AND T EQUITY FUND						
	At the beginning of the year			0	0.00%	-	-
	Changes during the year	13.01.2017	Purchase	1,258,190	1.23%	1,258,190	1.23%
	At the end of the year			-	-	1,258,190	1.23%
14.	L AND T MUTUAL FUND TRUSTEE LIMITED- L AND T TAX ADVANCE						
	At the beginning of the year			0	0.00%	-	-
	Changes during the year	13.01.2017	Purchase	945,000	0.92%	945,000	0.92%
		10.02.2017	Purchase	5,000	0.00%	950,000	0.93%
		17.02.2017	Purchase	5,000	0.00%	955,000	0.93%
		24.02.2017	Purchase	5,000	0.00%	960,000	0.94%
	At the end of the year			-	-	960,000	0.94%
15.	IDFC STERLING EQUITY FUND						
	At the beginning of the year			0	0.00%	-	-
	Changes during the year	28.10.2016	Purchase	936,481	0.92%	936,481	0.91%
		17.03.2017	Purchase	7,500	0.01%	943,981	0.92%
	At the end of the year			-	-	943,981	0.92%

(#)Change in the Top 10 shareholders at the beginning of the year and at the end of the year.

ANNEXURE TO DIRECTORS' REPORT
Annexure - F

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For each of the Directors and Key Managerial Personnel (KMP)	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1.	Name- SAJAN KUMAR BANSAL - Managing Director						
	At the beginning of the year			8,243,796	8.06%	-	-
	Changes during the year	07.04.2016	Transfer	5,900	0.01%	8,237,896	8.05%
		03.06.2016	Transfer	100	0.00%	8,237,796	8.05%
	At the end of the year			-	-	8,237,796	8.05%
2.	Name- SHARAN BANSAL - Whole Time Director						
	At the beginning of the year			4,696,955	4.59%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	4,696,955	4.59%
3.	Name- DEVESH BANSAL - Whole Time Director						
	At the beginning of the year			3,622,175	3.54%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	3,622,175	3.54%
4.	Name- SIDDHARTH BANSAL - Whole Time Director						
	At the beginning of the year			10,468,725	10.23%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	10,468,725	10.23%
5.	Name- AMIT KIRAN DEB - Independent Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
6.	Name- MANINDRA NATH BANERJEE - Independent Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
7.	Name- JOGINDER PAL DUA - Independent Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
8.	Name- MAMTA BINANI - Independent Director						
	At the beginning of the year			-	-	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	-	-
9.	Name- SANJAY KUMAR AGRAWAL - Chief Financial Officer						
	At the beginning of the year			200	0.00%	-	-
	Changes during the year			-	-	-	-
	At the end of the year			-	-	200	0.00%
10.	Name- MANISH AGARWAL - Company Secretary**						
	At the beginning of the year			0	0.00%	-	-
	Changes during the year	23.12.2016	Purchase	200	0.00%	200	0.00%
		31.03.2017	Sale	200	0.00%	0.00	0.00%
	At the end of the year			-	-	0.00	0.00%

* Mr. Arbind Kumar Jain was Company Secretary of the Company upto 29th December, 2016 and did not hold any shares at the beginning or end of the year

** Mr. Manish Agarwal was appointed as the Company Secretary of the Company w.e.f. 8th February, 2017.

ANNEXURE TO DIRECTORS' REPORT
Annexure - F

V. INDEBTEDNESS

(Indebtedness of the Company including interest outstanding/accrued but not due for payment)

(₹ millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	3,067.00	1,614.96	-	4,681.96
ii) Interest due but not paid	8.75	8.43	-	17.18
iii) Interest accrued but not due	1.37	-	-	1.37
Total (i+ii+iii)	3,077.12	1,623.39	-	4,700.51
Change in Indebtedness during the financial year				
- Addition	1,756.22	304.72	-	2,060.94
- Reduction	(897.48)	(1,466.69)	-	(2,364.17)
Net Change	(858.74)	(1,161.97)	-	(303.23)
Indebtedness at the end of the financial year				
i) Principal Amount	3,918.09	460.32	-	4,378.41
ii) Interest due but not paid	16.73	1.11	-	17.84
iii) Interest accrued but not due	1.04	-	-	1.04
Total (i+ii+iii)	3,935.86	461.43	-	4,397.29

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration Name	Name of MD/WTD/ Manager				Total Amount (₹ millions)
		Sajan Kumar Bansal	Sharan Bansal	Devesh Bansal	Siddharth Bansal	
	Designation	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	48.00	24.00	24.00	24.00	120.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	NIL	NIL	NIL	NIL	-
2	Stock Option	NIL	NIL	NIL	NIL	-
3	Sweat Equity	NIL	NIL	NIL	NIL	-
4	Commission	NIL	NIL	NIL	NIL	-
	- as % of profit					
	- others, specify					
5	Others, please specify	NIL	NIL	NIL	NIL	-
	Total (A)	48.00	24.00	24.00	24.00	120.00
	Ceiling as per the Act (10 % of Net Profit)					169.70

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ millions)
		Amit Kiran Deb	Manindra Nath Banerjee	Joginder Pal Dua	Mamta Binani	
1	Independent Directors					
	- Fee for attending board committee meetings	0.225	0.255	0.080	0.105	0.665
	- Commission	0.100	0.100	0.100	0.100	0.400
	- Others, please specify	Nil	Nil	Nil	Nil	-
	Total (1)	0.325	0.355	0.180	0.205	1.065
2	Other Non-Executive Directors					
	- Fee for attending board committee meetings					
	- Commission					
	- Others, please specify					
	Total (2)	-	-	-	-	-
	Total (B) = (1+2)	0.325	0.355	0.180	0.205	1.065
	Total Managerial Remuneration					121.065
	Overall Ceiling as per the Act (11% of Net Profit)					186.67

ANNEXURE TO DIRECTORS' REPORT
Annexure - F

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sl. No.	Particulars of Remuneration Name	Name of Key Managerial Personnel			Total Amount (₹ millions)
		Sanjay Agrawal	Arbind Kumar Jain (upto 29.12.2016)	Manish Agarwal (w.e.f. 08.02.2017)	
	Designation	Chief Financial Officer	Company Secretary	Company Secretary	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4.644	0.901	0.103	5.648
	(b) Value of perquisites u/s 17(2) Income-tax Act,				-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.192	0.557	0.002	0.751
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total (A)	4.836	1.458	0.105	6.399

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

ANNEXURE TO DIRECTORS' REPORT

Annexure - G

DIVIDEND DISTRIBUTION POLICY

1. INTRODUCTION & SCOPE

The Securities Exchange Board of India (SEBI) vide its Notification No. SEBI/LAD-NRO/GN/2016-17/008 dated July 08, 2016, inserted Regulation 43A in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') mandating the formulation of a Dividend Distribution Policy for the top 500 listed entities based on their market capitalisation calculated on March 31 of every financial year which shall also be disclosed in the Annual Report and on the website of the Company. In compliance with the said Regulation, the Company is required to frame a Dividend Distribution Policy ('the/this Policy').

This policy will regulate the process of dividend declaration and pay-out by Skipper Limited (the Company) in accordance with the provisions of the Companies Act, 2013 and Rules made there under and the Listing Regulations.

The policy specifies the external & internal factors including financial parameters that shall be considered while declaring dividend and the circumstances under which the shareholders of the Company may or may not expect dividend.

The policy is a reference for the Board and not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration of all relevant factors and circumstances. This Policy endeavours to attain fairness, consistency and sustainability while distributing profits to the shareholders.

2. CATEGORIES OF DIVIDEND AND PROCESS FOR APPROVAL

The Companies Act provides for two types of Dividend namely Interim Dividend and Final Dividend. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company.

a. Interim Dividend

This form of dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board considers declaring an interim dividend after finalization of quarterly (or half yearly) financial statements. This would be in order to supplement the annual dividend or in exceptional circumstances.

Process for approval of payment of Interim Dividend:

- Board may declare Interim Dividend at its complete discretion, one or more times in a financial year in line with this Policy based on profits arrived at as per quarterly (or half- yearly) financial statements including exceptional items.
- Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.
- Interim dividend paid during the year shall be confirmed in the annual general meeting, held after the payment of the same.

b. Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of payment of Final Dividend:

- Board shall recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy based on the profits arrived at as per the audited financial statements.
- Dividend as recommended by the Board shall be approved/declared at the Annual General Meeting of the Company, by the shareholders.

ANNEXURE TO DIRECTORS' REPORT

Annexure - G

- Payment of dividend to the eligible shareholders shall be made within 30 days from the date of declaration or within such time as may be prescribed under applicable law.

3. FACTORS WHICH DETERMINE DIVIDEND AND CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS MAY OR MAY NOT EXPECT DIVIDEND

A. General Factors

Dividends are the Company's earnings that the Company passes on to their shareholders. When the Company increases its earnings and makes profits, the Board of Directors may decide to keep aside some of the profits as retained earnings and distribute some of its earnings as dividends to the shareholders. The circumstances under which the Company may or may not declare dividend depends on the financial status of the Company, nature of industry the Company is in, the need of the Company for ploughing back its profits, the consideration of past losses, statutory requirements, agreements with lending institutions etc.

The Company aims to pay progressive dividend which shall be consistent with the performance of the Company. However the Board may decide not to declare dividend or to declare special dividend under certain circumstances as deemed appropriate by the Board of Directors.

The Company may not declare dividend when there is inadequacy or absence of profit in any financial year. The shareholders of the Company should not expect dividend when the Company faces loss in that financial year unless the Company decides to pay dividend out of accumulated profits of previous years or out of the reserves of the Company.

The Company shall declare dividend in accordance with the provision of Companies Act, 2013 and rules made there under.

The Board shall consider the following, while taking decisions of dividend payout during a particular year:

B. Internal Factors Including Financial Parameters

The following Internal factors shall be considered while declaring dividend:

i. Profit earned during the year

The decision of dividend depends on the profit earned during the year.

ii. Past performance

The trend of performance that has been during the past years determine the expectation of the shareholders. The Board shall consider the same while taking decision on declaration of dividend.

iii. Working capital requirements

The working capital requirement of the Company will be taken into consideration while taking decision on declaration of dividend.

iv. Operating cash flow of the Company

The cash flow position of the Company shall be considered before decision on declaration of dividend is taken.

v. Cost of borrowings

The Board will consider the requirement of short term and long term fund requirements of the Company and will analyze the viability of the options in terms of cost of raising of funds from banks/financial institutions or to plough back its own funds.

vi. Repayment of loans

The Board will consider its ability to repay its debt obligations over a period of time and considering the volume of such obligations the decision of dividend declaration shall be taken.

ANNEXURE TO DIRECTORS' REPORT

Annexure - G

vii. **Proposal of major capital expenditure**

The Board will consider the need of funds for replacement of capital assets, expansion and modernization before taking decision on declaration of dividends.

viii. **Brand/ Business Acquisitions/ Buy backs**

Acquisition of brands and businesses, increasing expenditure on marketing, advertising and brand building in the long-run will also influence the Board's decision of declaration of dividend. Any share buy back plans will also influence the Board's decision of declaration of dividend.

ix. **Additional investments in subsidiaries/associates of the Company**

The Company may in future have subsidiaries/associates. Capital requirements of these entities for expansion and operations also need to be assessed by the Board.

x. **Post dividend EPS**

Post dividend EPS tends to have substantial impact on market capitalisation and the same also needs to be considered before declaring dividend.

xi. **Expansion Plans**

Future expansion and modernization plans will be considered while taking decision on dividend.

xii. **Contingencies/ Unforeseen events**

The Board shall also consider any cash requirements for contingencies or unforeseen events.

xiii. **Expectations of major stakeholders**

The Board shall, as far as possible, consider the expectations of the major stakeholders including the retail shareholders of the Company.

C. EXTERNAL FACTORS

i. **Statutory Compliances**

The Board will follow any restrictions on payment of dividends by virtue of any regulation as may be applicable to the Company at the time of declaration of dividend.

ii. **Capital Markets**

When the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

iii. **State of Economy**

In case of uncertain economic conditions, Board will endeavor to retain larger part of profits to build up reserves to have good financial health in case of exigencies.

iv. **Taxation and Statutory Restrictions**

The Board shall consider the tax regulations in respect of Dividend distribution together with restrictions imposed by any statute, including the Companies Act, with regard to declaration of dividend as may be applicable at the time of declaration of dividend. Changes in policies of the Government with respect to dividend may also impact dividend distribution.

v. **Changes in technological/ business environment**

The Board shall also consider any significant changes in the business or technological environment in which the Company operates.

ANNEXURE TO DIRECTORS' REPORT

Annexure - G

4. MANNER OF UTILISATION OF RETAINED EARNING

The retained earnings are the part of the surplus profits which the Company does not distribute as dividend to the shareholders. This amount may be used by the Company in various forms to increase stakeholders value.

The Board may at its discretion use the funds for various purposes which may include:

- i) Market/ Product expansion
- ii) Investing in new plants and equipments for enhancing production capacity
- iii) Modernization plan
- iv) Diversification of business
- v) Replacement of capital assets
- vi) To gain competitive advantage over others

5. PARAMETERS FOR VARIOUS CLASSES OF SHARES

The factor and parameters for declaration of dividend shall be same for all classes of shares of the Company, subject to any regulatory requirement for any particular class. Since the Company has only one class of equity shares with equal voting rights, all the members are entitled to receive the same amount of dividend per share.

The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

Dividend when declared shall be first paid to the preference shareholders, if any, of the Company as per the terms and conditions of their issue. This policy shall not apply to determination and declaration of dividend on preference shares as the same will be governed as per the terms of issue approved by the Board and the shareholders of the Company.

6. REVIEW AND AMENDMENTS

This policy will be reviewed by the Board as and when required. The Board of Directors are authorized to make alterations/ amendments to this policy as considered appropriate from time to time, however such alterations/ amendments shall not be inconsistent with the provisions of Companies Act, 2013, Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 or any other regulatory provisions. Any subsequent modification/ amendment in the Act or the Listing Regulations or any other regulatory provisions in this regard shall automatically apply to this policy.

In case the Company proposes to declare dividend on the basis of parameters in addition to the aforementioned parameters or proposes to make an alteration thereto, it shall disclose such changes along with the rationale in its Annual Report and on its website.

7. LIMITATIONS

In the event of any conflict between the Act or the Listing Regulations or any other statutory enactments ("Regulations") and the provisions of this Policy, the Regulations shall prevail over this policy.

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

- Corporate Identity Number (CIN) of the Company:** L40104WB1981PLC033408
- Name of the Company:** SKIPPER LIMITED
- Registered address:** 3A Loudon Street, Kolkata-700 017, India
- Website:** www.skipperlimited.com
- E-mail id:** investor.relations@skipperlimited.com
- Financial Year reported:** 2016-17
- Sector(s) that the Company is engaged in (industrial activity code-wise):**

Particulars	National Industrial Code
Manufacturing of Engineering Products	2511
Manufacturing of Polymer products	2220
Infrastructure Projects	4220

8. List three key products/services that the Company manufactures/provides (as in balance sheet)

- Engineering products
- Polymer products
- Infrastructure projects

9. Total number of locations where business activity is undertaken by the Company

- Number of International Locations (Provide details of major 5):** The Company does not have any office or manufacturing facilities outside India.
- Number of National Locations:** The Company carries out its operation through its head office in Kolkata and several marketing/site offices across India. The Company has three manufacturing units at Howrah near Kolkata (WB), two units at Guwahati (Assam), one unit each at Ahmedabad (Gujarat), Sikandrabad (UP) and Hyderabad (Telengana).

10. Markets served by the Company – Local/State/National/International.

Skipper Limited has Pan India market presence and also exports its products to several geographies which includes Africa, Middle East, South & South East Asia, South America and Europe.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

- Paid up Capital (INR):** 102.32 million
- Total Turnover (INR):** 17029.64 million (Net)
- Total profit after taxes (INR):** 1114.97 million
- Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after Tax (%):**

The Company has spent more than 2% of average net profits of the Company made during the three immediately preceding financial year. Please ref to **Annexure-B** of Directors Report for detailed information.

5. List of activities in which expenditure in 4 above has been incurred:

Please refer to **Annexure-B** of the Director's report.

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

NA

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

The Company's BRR Policy is applicable to the management and all employees of the Company. The Company encourages and expects its business partners to adopt the BR practices. However, no formal study has been undertaken as of date to ascertain the percentage of such entities who participate in BR activities.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR.

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

1. DIN Number: 00162513
2. Name: Mr. Devesh Bansal
3. Designation: Whole Time Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number	NA
2	Name	Mr. Abhijit Sengupta
3	Designation	Vice President- Works
4	Telephone number	9051417755
5	Email id	investor.relations@skipperlimited.com

2. Principle-wise BR policy as per National Voluntary Guidelines:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have policy/policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national/international standards? If yes, specify? (50 words)	The policy is based on National Voluntary Guidelines on Social, Environmental & Economical Responsibilities of business released by Ministry of Corporate Affairs.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/brp.pdf								
7	Has the policy been formally communicated to all the relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(b) If answer to the question at serial number 1 against any principle, is 'NO', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies the policies on specified principles									
3	The company does not have a financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within next 1 year									
6	Any other reason(please specify)									

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

3. Governance related to BR

- (a) Indicate the frequency with which the Board of Directors, Committee of the board or CEO to assess the BR performance of the company. Within 3 ,months, 3-6 months, Annually, more than 1 year

The BR Head periodically assess the BR performance of the Company and the Board reviews the same annually.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has published its first BR Report for FY 2016-17 which forms part of Annual Report. The same can be viewed on the website of the Company <https://dkfwej267huwn.cloudfront.net/investor-relations/pdf/brr.pdf>.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 : Businesses should conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company's policy on Ethics, Transparency and Accountability along with the Code of Conduct is applicable to all the individuals working in the Company. The Company encourages its business partners to follow the code.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During the financial year 2016-17, the Company did not receive any complaints, relating to ethics, bribery or corruption.

The Company has a structural mechanism in place for all its stakeholders to freely share there concerns and grievances with the Company

Principle 2 : Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- Towers
- High Mast
- PVC Pipes

2. For each such product, provide the following details in respect of resource use (energy, water raw, material etc.) per unit of product (optional):

- (a) Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain?

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Steel, Zinc and PVC resin are the major raw materials used by the Company along with other resources viz electricity, water, furnace oil and diesel.

Efficient use of resources enable us to reduce environmental impact and we always strive to decrease the usage of materials having environmental concerns.

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 (a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company considers aspects such as safety and environment in addition to commercial considerations while selecting its suppliers. Most of the raw materials are sourced from these suppliers.

4. Has the company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work?

- (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The major raw material used by the Company in manufacturing its products are of such nature, which are generally not produced by small producers. However, for all other products the Company tries to procure from local supply chain partners which include small scale industries who meet our quality, delivery, cost and technology expectations.

Efforts are made to use local service providers for availing various support services at our various plants and services.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10 %, > 10%). Also, provide details thereof, in about 50 words or so.

The Company has always strived to reduce wastes associated with its products. Most of the metal wastes generated in production are sold to recycling units through direct/indirect channels.

Principle 3 : Businesses should promote the well-being of all employees

1. Please indicate the Total number of employees. 2245
2. Please indicate the Total number of employees hired on temporary/ contractual/ casual basis. 2058
3. Please indicate the Number of permanent women employees. 13
4. Please indicate the Number of permanent employees with disabilities NIL
5. Do you have an employee association that is recognized by management No
6. What percentage of permanent employees is members of this recognized employee association? N.A.
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on en of the financial year
1	Child labour, forced labour, involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

	<u>Safety</u>	<u>Skill</u>
(a) Permanent Employees	100%	70%
(b) Permanent Women Employees	100%	70%
(c) Casual /temporary/ contractual Employees	100%	50%
(d) Employees with Disabilities	N.A.	N.A.

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

Principle 4 : Business should respect the interest of and be responsive towards all stake holders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders? Yes/no

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes, we try to identify under privileged communities around our business location and try to serve their needs through our CSR Programs.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable & marginalized stakeholders. If so, provide the details thereof, in about 50 words or so.

Yes. Skipper Limited believes that it has an important role to play in the society and community in which it operates. The company provides healthcare facilities to underprivileged in and around its factory premises and also takes up projects for provision of safe drinking water, sanitation facilities, and education. Details of all such activities can be found in **Annexure-B** to the Director's report.

Principle 5 : Businesses should respect and promote human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company respects & protects the human rights of all people around and associated with it. The Company complies with applicable laws and regulation governing occupational health and safety. The Company applies principles of equal opportunity, fair treatment and zero tolerance for any form of unlawful discrimination or harassment of employees. The company is holding ISO18001 and ISO14001 certification for Health and Safety Standards and Environment Management Standards.

The Company expects its suppliers, contractors etc to adhere to the principles of human rights.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

No complaints were received pertaining to human rights violation during the reporting period.

Principle 6 : Businesses should respect, protect and make efforts to restore the environment.

1. Does the policy related to Principle 6 cover only the company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

The Company is committed to safeguard the interest of environment with a view of sustainable development. For the same Company has taken many environmental friendly initiatives and also carried out process modification to protect environment. The Company's Environmental policy is applicable to all its business places. The Company does not have Subsidiaries/Joint Ventures/ Associates.

2. Does the company have strategies/ initiatives to address the global environmental issues such as climate change, global warming, etc? Y/N. if yes, please give hyperlink for webpage etc.

The Company understands and recognizes that climate change and global warming are real threat to the global community and each and every person has a role & responsibility to address such alarming issue. The Company has taken the following initiatives to address these global environmental issues:

- i. Operation of hot air drier in the GI through waste flue gas generated from Zinc Melting Furnace during the melting of zinc:

The waste flue gas generated from the zinc melting furnace is routed to the drier where it is being utilized for drying the MS material. Thus additional fuel is not required for the operation of drier thereby reducing the emission of Carbon-dioxide a green house gas.

ANNEXURE TO DIRECTORS' REPORT

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ii. Use of recuperator in our Rolling Mill:

The recuperator transfers some of the waste heat in the exhaust to the furnace air, thus preheating it before entering the fuel burner stage. Since the gases have been pre-heated, less fuel is required to heat the gases up to the furnace inlet temperature. By recovering some of the energy usually lost as waste heat, the recuperator can make reheating furnace more efficient. Less use of fuel ultimately leads to less generation of carbon-dioxide thereby contributing to global cause.

3. Does the company identify and assess potential environmental risks? Y/N.

Yes. The Company tries to identify, assess and address potential environmental risks related to its operations.

4. Does the company have any project related to Clean Development Mechanism? If so, provide the details thereof, in about 50 words or so. Also if yes, whether any environmental compliance report is filed?

No, the Company does not presently have any project related to clean development mechanism.

5. Has the company undertaken any initiatives on- clean technology, energy efficiency, renewable energy, etc. Y/N. If yes please give hyperlink for webpage etc.

The Company has taken certain initiatives towards conservation of energy and energy efficiency at its various plants. The **Annexure-D** to Director's Report contains details of the steps taken to conserve energy during the year.

6. Are the Emission/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All the plants of the Company comply with the prescribed emission norms of various Central/State pollution control boards. All the emission and waste generated by the Company is well within the permissible limits given by SPCB/CPCB for the financial year reported.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause or legal notices from the pollution control authorities are pending as at the end of the financial year.

Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your company a member of any trade and chamber or association? If yes, Name only those major ones that your business deals with:

- (a) Bharat Chamber of Commerce
- (b) Indian Chamber of Commerce
- (c) Confederation of Indian Industry
- (d) Merchant's Chamber of Commerce & Industry
- (e) The Bengal Chamber of Commerce & Industry

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/no; if yes specify the broad areas (drop box: governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, others)

We do from time to time take up issues through these associations on matters of public/industry interest.

ANNEXURE TO DIRECTORS' REPORT

Annexure - H

Principle 8 : Businesses should support inclusive growth and equitable development

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is committed to behave responsibly towards people, society and the environment for inclusive growth of the society. The Company has several socio-economic projects running in various areas and are taken as per the CSR policy of the Company which includes:

- Promoting healthcare including preventing healthcare.
- Promoting education and special education.
- Animal welfare/ Conservation of natural resources.
- Promoting art and culture.

The details of specific CSR projects are given in **Annexure-B** to the Director's Report.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The aforesaid projects have been carried out by the Company directly and/or through implementing agencies.

3. Have you done any impact assessment of your initiative?

Efforts are made to make a general assessment of impact of some of the initiatives. The CSR Committee internally performs an impact assessment of its initiatives at the end of each year to understand the efficacy of the programmes and to gain insight for improving the design and delivery of future initiatives. However, no structural impact assessment is put in place at present.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the project undertaken.

During the year, the Company has spent INR 21.96 million towards various CSR initiatives and projects. The details of the same are given in **Annexure-B** to the Director's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

All CSR projects and initiatives are planned with the objective of sustainable community development. The project is identified and developed as a facilitator within the CSR policy framework and presented to the CSR committee for its review, guidance and approval. The Company works directly and through implementing agencies of the project to ensure proper and meaningful adoption of these initiatives among the target community.

Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentages of customer complaints/ consumer cases are pending as on the end of financial year.

No complaints are pending.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/no/N.A./Remarks(additional information)

Yes, we have obtained trademark from the Registrar of Trademark under the Trademark Act, 1999 for our Products.

ANNEXURE TO DIRECTORS' REPORT

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3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

Skipper believes in providing best services to its customers. Time to time meeting(s) with customers are organized to understand their expectation and essentially to gauge our competitiveness in the business. Skipper leverages its presence across the country to remain consistently in touch with the customers through its business unit and mitigate their issues promptly. Feedbacks received from customers are implemented to further enhance quality of service.

For and on behalf of the Board of Directors

Place: Kolkata
Date: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

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 31st 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 31st 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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 18th May, 2016, 8th August, 2016, 10th November, 2016 and 8th February, 2017. The necessary quorum was present at all the meetings.

Attendance of Directors at the above mentioned Board Meetings and at the 35th Annual General Meeting held on 8th 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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 15th May, 2017 for a period of 3 (three) years w.e.f 1st 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 18th 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 8th 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 18th May, 2016, 8th August, 2016, 10th November, 2016 and 8th 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 18th 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- (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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- (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 18th May, 2016, 10th November, 2016 and 8th 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 10th 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 8th 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

- (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>

REPORT ON CORPORATE GOVERNANCE (CONTD.)

(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 th September, 2019			
Mr. Sharan Bansal	Executive Director	24 millions	Nil	Appointed for a period of 3 years upto 30 th 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 st March, 2019			
Mr. Siddharth Bansal	Executive Director & CEO Polymer Division	24 millions		Appointed for a period of 3 years upto 31 st March, 2019			

* Mr. Sharan Bansal has been re-appointed as Whole-time Director by Board of Directors at its meeting held on 15th May, 2017 for a period of 3 years upto 30th 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

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 3rd 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 4th January, 2017 and as the Company Secretary of the Company w.e.f 8th February, 2017 upon resignation of Mr. Arbind Kumar Jain w.e.f 29th 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 10th 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 8th 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 8th 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 15th May, 2017

** Mr. Siddharth Bansal has been inducted as a member w.e.f 15th 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.

REPORT ON CORPORATE GOVERNANCE (CONTD.)

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 1st April, 2016 to 31st March, 2017.

Place: Kolkata
Date: 15th 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"> 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. 2. Approval pursuant to Section 180(1)(c) of the Companies Act, 2013. 3. Approval pursuant to Section 180(1)(a) of the Companies Act, 2013. 4. Adoption of revised Articles of Association of the Company.

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.

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 1st April to 31st 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.)

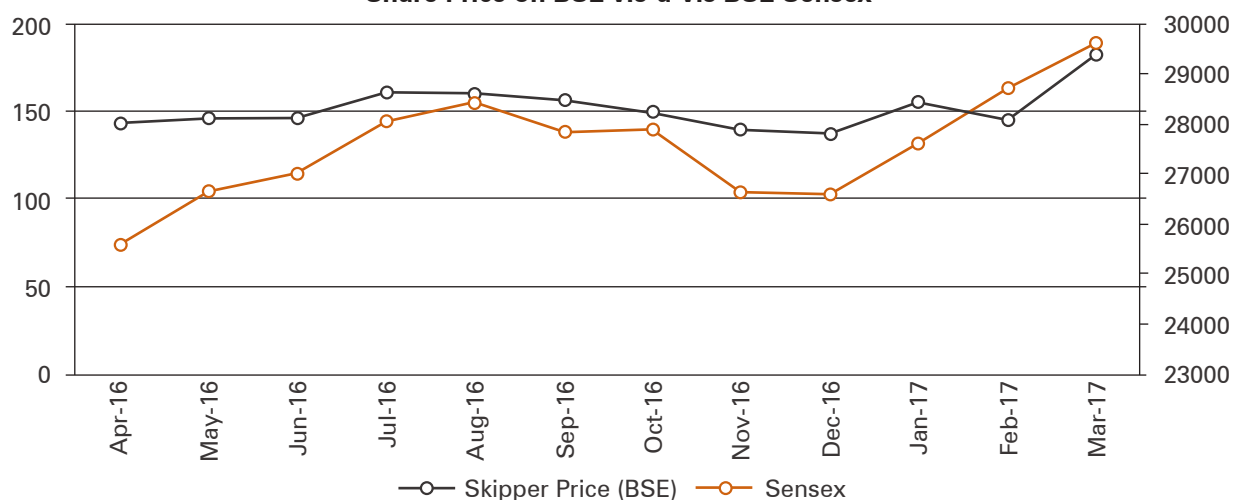
(v) Market Price Data and Performance of Company's Share Prices:

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:

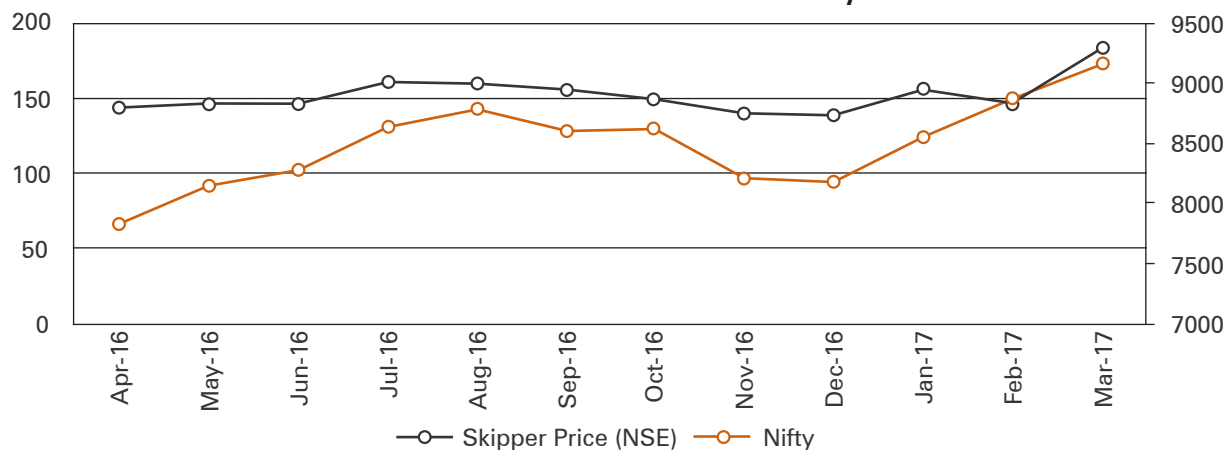
Month	BSE					NSE				
	High Price	Low Price	Closing Price	Volume	BSE Sensex Closing	High Price	Low Price	Closing Price	Volume	NSE Nifty Closing
April, 2016	161.90	134.30	144.10	627,410	25,606.62	161.50	134.00	144.00	2,491,777	7,849.80
May, 2016	151.00	137.00	146.75	527,039	26,667.96	151.15	136.80	146.75	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
Total	9072	100.00	102,316,462	100.00

(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
Total	102,316,462	100.00

(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
Total	102,316,462	100.00

- (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.)

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: 15th May, 2017

Sajan Kumar Bansal
Managing Director
DIN: 00063555

Sharan Bansal
Director
DIN: 00063481

INDEPENDENT AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
Skipper Limited

1. We have examined the compliance of conditions of Corporate Governance by Skipper Limited ("the Company"), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2017.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Date: 15th May, 2017
Place: Kolkata

CERTIFICATE BY MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER

The Board of Directors
Skipper Limited
3A, Loudon Street
Kolkata – 700 17

1. We have reviewed the financial statements and the cash flow statement for the financial year ended 31st March, 2017 and to the best knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year 2016-2017 which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps taken or proposed to be taken to rectifying these deficiencies.
4. We have indicated, wherever applicable, to the Auditors and Audit Committee:
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Dated: 15th May, 2017

Sajan Kumar Bansal
Managing Director

Sanjay Kumar Agrawal
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKIPPER LIMITED REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of SKIPPER LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'A' a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

INDEPENDENT AUDITOR'S REPORT

- c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. on the basis of the written representations received from the directors as on 31st March 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2017 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure 'B'; and
- g. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company has disclosed the impact of pending litigation on its financial position in its financial statement. Refer Note 24 to the financial statements;
 - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - iv. the Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period 8th November'16 to 30th December'16. Based on audit procedure performed and the representations provided to us by the management, we report that disclosures are in accordance with the books of accounts maintained by the Company and produced to us by the management. Refer Note 42 to the financial statements.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Place: Kolkata
Date : 15th day of May, 2017

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) As per the information and explanations given to us, physical verification of fixed assets have been carried out in terms of the phased program of verification of its fixed assets adopted by the Company and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to size of the Company and nature of its business.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As per the information and explanations given to us, the inventories have been physically verified at reasonable intervals during the year by the management and no material discrepancies between book stock and physical stock have been found.
- iii. The Company has not granted any loan to parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, paragraph 3(iii) of the Order is not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan, not made any investment and have not provided any guarantee. Accordingly the paragraph 3(iv) of the Order is not applicable.
- v. The Company has not accepted any deposits from the public.
- vi. We have broadly reviewed the books of accounts maintained by Company in respect of product, where pursuant to the rule made by the Central Government of India the maintenance of cost records has been prescribed under section 148 (1) of the Companies Act 2013 and are of the opinion that, prima facie, the prescribed records have been maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues of sales tax, income tax, duty of customs, duty of excise, service tax and value added tax which have not been deposited on account of any dispute and the forum where the dispute is pending as on 31st March, 2017 are as under :-

Name of the statute	Nature of dues	Amount ₹ in million	Year	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	West Bengal Sales Tax	24.37	2005-06 & 2006-07	West Bengal Com. Taxes Appellate & Revisional Board
West Bengal Value Added Tax Act, 2003	West Bengal Value Added Tax	50.19	2009-10	Additional Commissioner of Commercial Taxes, Kolkata
		2.04	2012-13	Joint Commissioner of Commercial Taxes, Kolkata
		0.58	2011-12	West Bengal Com. Taxes Appellate & Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax	14.50	2005-06 & 2006-07	West Bengal Com. Taxes Appellate & Revisional Board
		35.90	2006-07, 2011-12 & 2012-13	Joint Commissioner of Commercial Taxes, Kolkata

ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

Name of the statute	Nature of dues	Amount ₹ in million	Year	Forum where dispute is pending
		3.25	2011-12	West Bengal Com. Taxes Appellate & Revisional Board
The Central Excise Act, 1944	Duty of Excise	1.23	2005-06, 2007-08 & 2010-11	Commissioner Appeals (Central Excise), Kolkata
		1.24	2007-08 & 2008-09	Commissioner (Appeal I) – Central Excise Kolkata
		17.52	2009-10, 2010-11, 2011-12 & 2012-13	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
Service Tax under Finance Act, 1994	Service Tax	17.06	2005-06, 2007-08, 2009-10, 2010-11, 2011-12, & 2012-13	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
		0.13	2007-08, 2009-10 & 2010-11	Commissioner (Appeals), Service Tax, Kolkata

- viii. The Company has not defaulted in repayment of dues to Financial Institutions or Banks or Government or Debenture holders.
- ix. The company did not raise any money by way of initial public offer or further public offer including debt instruments during the year. However the Company has raised Term Loan during the year and has applied the same for the purpose for which term loans are raised.
- x. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Place: Kolkata
Date : 15th day of May, 2017

ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SKIPPER LIMITED** ("the Company") as of 31st March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

ANNEXURE-B TO THE INDEPENDENT AUDITOR'S REPORT

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Singhi & Co.
Chartered Accountants
Firm's Registration No. 302049E

(Pradeep Kumar Singhi)
Partner
Membership No. 50773

Place: Kolkata
Date : 15th day of May, 2017

BALANCE SHEET

as at 31st March, 2017

(₹ in millions)

Particulars	Note no.	As at 31-03-2017		As at 31-03-2016	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2	102.32		102.32	
Reserves & Surplus	3	4,840.66	4,942.98	3,712.91	3,815.23
NON-CURRENT LIABILITIES					
Long-Term Borrowings	4	1,758.29		1,983.22	
Deferred Tax Liabilities (Net)	5	390.95		314.77	
Long-Term Provisions	6	21.90	2,171.14	13.46	2,311.45
CURRENT LIABILITIES					
Short-Term Borrowings	7	2,400.33		2,521.19	
Trade Payables	8				
Dues of Micro and Small Enterprises		16.39		11.63	
Dues of Other than Micro and Small Enterprises		2,874.67		2,112.17	
Other Current Liabilities	9	899.48		937.70	
Short-Term Provisions	10	4.66	6,195.53	193.21	5,775.90
TOTAL:			13,309.65		11,902.58
ASSETS					
NON-CURRENT ASSETS					
Fixed Assets	11				
Tangible Assets		4,633.90		3,839.96	
Intangible Assets		8.47		12.46	
Capital Work-In-Progress		143.62		399.46	
		4,785.99		4,251.88	
Long-Term Loans and Advances	12	149.99	4,935.98	21.78	4,273.66
CURRENT ASSETS					
Inventories	13	3,681.80		2,499.87	
Trade Receivables	14	3,729.66		3,723.67	
Cash and Cash Equivalents	15	249.35		497.96	
Short-Term Loans and Advances	16	712.86	8,373.67	907.42	7,628.92
TOTAL:			13,309.65		11,902.58

Significant Accounting Policies 1

The accompanying notes are an integral part of the financial statements.

As per our report annexed
For **Singhi & Co.**
Chartered Accountants
Firm Regn No.-302049E

For and on behalf of the Board

Pradeep Kumar Singhi
Partner
Membership No. 50773

Sajan Kumar Bansal
Managing Director
DIN - 00063555

Sharan Bansal
Director
DIN - 00063481

Place: Kolkata
Dated: 15th May, 2017

Sanjay Kumar Agrawal
Chief Financial Officer

Manish Agarwal
Company Secretary

STATEMENT OF PROFIT & LOSS
for the year ended 31st March, 2017

			(₹ in millions)	
Particulars	Note no.	Year ended 31-03-2017	Year ended 31-03-2016	
A. INCOME				
Revenue from Operations	17			
Gross Revenue from Operations		18,355.31	16,067.17	
Less: Excise Duty		1,325.67	1,004.94	
Net Revenue from Operations		17,029.64	15,062.23	
Other Income	18	31.25	51.66	
TOTAL		17,060.89	15,113.89	
B. EXPENDITURE				
Cost of Materials Consumed	19	11,729.50	9,538.05	
Change in Stock of Finished Goods & Work-In-Progress	20	(821.48)	(53.11)	
Employee Benefit Expenses	21	731.54	499.62	
Finance Costs	22	610.98	570.04	
Depreciation & Amortisation Expenses	11	315.47	241.15	
Other Expenses	23	2,929.69	2,885.18	
TOTAL		15,495.70	13,680.93	
C. PROFIT BEFORE TAX (A-B)		1,565.19	1,432.96	
Tax Expenses				
Current Tax		437.54	429.93	
MAT Credit entitlement for earlier years		(63.50)	-	
Tax adjustments for earlier years		-	1.62	
Deferred Tax		76.18	50.11	
D. TOTAL TAX EXPENSE		450.22	481.66	
PROFIT AFTER TAX (C-D)		1,114.97	951.30	
Basic Earning Per Share of ₹ 1 each	35	10.90	9.30	
Diluted Earning Per Share of ₹ 1 each		10.89	9.30	

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements.

As per our report annexed
For **Singhi & Co.**
Chartered Accountants
Firm Regn No.-302049E

For and on behalf of the Board

Pradeep Kumar Singhi
Partner
Membership No. 50773

Sajan Kumar Bansal
Managing Director
DIN - 00063555

Sharan Bansal
Director
DIN - 00063481

Place: Kolkata
Dated: 15th May, 2017

Sanjay Kumar Agrawal
Chief Financial Officer

Manish Agarwal
Company Secretary

CASH FLOW STATEMENT

for the year ended 31st March, 2017

		(₹ in millions)	
Particulars		Year ended 31-03-2017	Year ended 31-03-2016
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit before Tax		1,565.19	1,432.96
Adjustment for			
Depreciation		315.47	241.15
Irrecoverable Debts/Advances Written Off (net)		6.67	57.89
(Profit)/Loss on Sale of Fixed Assets		0.77	4.03
Employee Share-Based Payments (Refer note no. 38)		12.78	0.46
Finance Costs		610.98	570.04
Interest Received on Fixed Deposits		(26.56)	(43.63)
Operating profit before Working Capital Changes		2,485.30	2,262.90
Changes in Working Capital:			
(Increase)/decrease in Trade and other receivables		246.07	(563.13)
(Increase)/decrease in Inventories		(1,181.93)	(217.47)
Increase/(decrease) in Trade and other payables		655.19	(376.24)
Cash Generated from Operations		2,204.63	1,106.06
Direct taxes paid		(452.31)	(454.85)
NET CASH GENERATED /(USED IN) OPERATING ACTIVITIES	A	1,752.32	651.21
B. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Fixed Assets		(939.22)	(1,005.47)
Sale proceeds of Fixed Assets		0.64	32.45
Increase/(decrease) in Fixed Deposits		117.07	(7.69)
Interest Received on Fixed Deposits		24.25	61.39
NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES	B	(797.26)	(919.32)
C. CASH FLOW FROM FINANCING ACTIVITIES			
Finance Costs		(610.65)	(565.06)
Dividend paid including dividend distribution tax		(172.40)	(160.09)
Proceeds from Long-Term Borrowings		978.82	731.52
Repayment of Long-Term Borrowings		(1,161.51)	(573.48)
Increase/(decrease) in Short-Term Borrowings		(120.86)	695.33
NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES	C	(1,086.60)	128.22
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	(131.54)	(139.89)
ADD: OPENING CASH & CASH EQUIVALENTS		146.47	286.36
		14.93	146.47
CLOSING CASH & CASH EQUIVALENTS*		14.93	146.47

- *1. Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in note no. 15 to the financial statement.
2. The above Cash Flow Statement has been prepared under the Indirect method as set out in Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India.
3. Figures relating to the previous year have been regrouped and rearranged wherever necessary.

As per our report annexed
For **Singhi & Co.**
Chartered Accountants
Firm Regn No.-302049E

For and on behalf of the Board

Pradeep Kumar Singhi
Partner
Membership No. 50773

Sajan Kumar Bansal
Managing Director
DIN - 00063555

Sharan Bansal
Director
DIN - 00063481

Place: Kolkata
Dated: 15th May, 2017

Sanjay Kumar Agrawal
Chief Financial Officer

Manish Agarwal
Company Secretary

NOTES TO FINANCIAL STATEMENT

1. Significant Accounting Policies:

A) Accounting Convention

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All the items of Income and Expenditure have been recognized on accrual basis except Insurance claim which is recognized only when it is reasonably ascertained that the ultimate collection will be made.

B) Revenue Recognition

(i) Sale of Goods

Revenue from sale of goods is recognized on passage of title thereof to the customers, which generally coincides with delivery. Sales are net of returns, claims, trade discounts etc. Revenue is recognized when the significant risks and rewards of ownership of goods have been transferred to the buyer as per the terms of the respective sales order.

(ii) Revenue from construction project related activity is recognised as follows:

(a) Cost-plus contracts: Contract revenue is determined by adding the aggregate cost plus proportionate margin as agreed with the customer;

(b) Revenue on construction contracts is recognized on percentage completion method based on the stage of completion of the contract. The stage of completion is determined as a proportion that contract costs incurred for work performed upto the reporting date bears to the estimated total costs. When it is probable that the total contract cost will exceed the total contract revenue, the expected loss is recognized immediately. For this purpose, total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies. Revisions in projected profit or loss arising from change in estimates are reflected in each accounting period which, however, cannot be disclosed separately in the financial statements as the effect thereof cannot be accurately determined.

Overhead expenses representing indirect costs that cannot be directly aligned with the jobs, are distributed over the various contracts on a pro-rata basis.

(c) Cost and earnings in excess of billings are classified as unbilled revenue while billing in excess of cost and earnings is classified as unearned revenue.

C) Use Of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the result of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

D) Fixed Assets

(i) Fixed assets are stated at original cost or revalued amount, as the case may be, less accumulated depreciation, accumulated amortization and cumulative impairment, if any.

Cost comprises of cost of acquisition or construction inclusive of duties (net of tax/cenvat/duties credits availed), incidental expenses, interest and erection/commissioning expenses incurred up to the date asset is put to use. Administrative and other general overhead expenses that are specifically attributable to construction or acquisition of fixed assets or bringing the fixed assets to working condition are

NOTES TO FINANCIAL STATEMENT (CONTD.)

allocated and capitalized as a part of cost of fixed assets.

Own manufactured assets are capitalized at cost including an appropriate share of overheads.

- (ii) Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Cost includes any directly attributable expenditure on making the asset ready for its intended use.
- (iii) Capital Work-in-progress are stated at cost including borrowing cost and related expenses incurred during construction to bring the assets to its working condition for the intended use.

E) Depreciation/Amortization

- (i) Depreciation on tangible fixed assets is provided on the straight-line method over the useful lives of assets. Depreciation for assets purchased / sold during the year is proportionately charged. Depreciation in change in the value of fixed assets due to exchange rate fluctuation has been provided prospectively over the residual life of the respective assets. Depreciation is provided based on useful life of assets as prescribed in Schedule II of the Companies Act, 2013.
- (ii) Intangible assets, comprising of computer software, are amortized over a period of five years.

F) Impairment Of Assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased.

G) Investments

- (i) Long Term investments are stated at cost less provisions, if any for diminution in value, which are considered to be other than temporary in nature.
- (ii) Current Investments are stated at lower of cost or fair value.

H) Inventories

- (i) Raw Material, store and spare parts are valued at lower of cost or net realizable value; cost is ascertained as per weighted average method and includes incidental expenses. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they are consumed are expected to be sold at above cost.
- (ii) Inventories of Finished Goods and Work in process are valued at lower of cost or net realizable value whichever, is lower. Cost is determined at weighted average method.
- (iii) Scrap is valued at net realizable value.

I) Borrowing Costs

Borrowing costs incurred in relation to the acquisition of assets are capitalised as part of the cost of such assets up to the date of such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which such are incurred.

J) Government Grants

- (i) Grants are accounted for where it is reasonably certain that the ultimate collection will be made.
- (ii) Grants directly related to fixed assets are shown as deduction from the gross value of the fixed assets and those of capital nature are credited to Capital Reserve.
- (iii) Other Government grants are credited to the Statement of Profit and Loss or deducted from the related expenses.

K) Taxation

Current tax is determined on the basis of the amount of income tax payable under the Income Tax Act, 1961. Deferred tax is recognized on timing differences being the difference between taxable income and

NOTES TO FINANCIAL STATEMENT (CONTD.)

accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset is recognized and carried forward only to the extent that there is a reasonable certainty that the assets will be realized in future.

MAT Credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal Income Tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the ICAI, the said asset is created by way of credit to Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

L) Foreign Currency Transactions

Foreign currency transactions are recorded on initial recognition in Indian Rupees, using the exchange rate at the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are reported using the closing rate. Non-monetary items which are carried at historical cost denominated in foreign currency are reported using the exchange rate at the date of the transaction. The premium or discount arising at the inception of forward exchange contracts is amortised as expenses or income over the life of the respective contracts. Exchange differences that arise on settlement of monetary items and items denominated in foreign currencies at the year end are restated at year end rates and is:

- (i) adjusted to the cost of fixed assets specifically financed by the borrowings to which the exchange differences relate.
- (ii) recognized as income or expense in the period in which they arise in other cases.

M) Derivatives Financial Instruments

The Company uses derivative financial instruments such as forward, swap, options etc. to hedge its risk associated with the foreign exchange fluctuation related to highly probable forecast sale. The realized gain / loss in respect of hedged foreign exchange contracts which has expired / unwinded during the year are recognized in the statement of profit and loss and included in other operating revenue / other expense as the case may be. However, in respect of foreign exchange forward contracts period of which extends beyond the balance sheet date, the fair value of outstanding derivative contracts is marked to market and resultant net loss is accounted in the statement of profit and loss. Mark to market net gain is not recognized.

N) Fixed Assets Acquired Under Lease

- (i) Finance Lease
Assets acquired under lease agreements which effectively transfer to the Company substantially all the risk and benefits incidental to ownership of leased items, are capitalized at the lower of fair value and present value of minimum lease payment at the inception of lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.
- (ii) Operating Lease
Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the lease assets are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account.

O) Retirement And Other Employment Benefits

- (i) Short term employee benefits which are wholly due within 12 months of rendering the service are recognized in the period in which the employee rendered the related services.
- (ii) The Company has defined contribution plans for employees comprising of Government administered Employees State Insurance and Pension Plans. The contributions are charged to the Statement of Profit and Loss as they fall due.
- (iii) Gratuity liability is a defined benefit obligation. The Company makes contribution to the Employee's Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India. The net present

NOTES TO FINANCIAL STATEMENT (CONTD.)

value of the obligation for gratuity benefits as determined on actuarial valuation conducted annually using the projected unit credit method and as reduced by the fair value of plan assets, is recognized in the accounts.

- (iv) Actuarial gains or losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.
- (v) Short term compensated advances are provided for on estimates. The Company has no scheme for long term compensated advances.

P) Employee Share-Based Payments

Equity settled stock options granted to employees, pursuant to the Company's stock options scheme, are accounted for as per the intrinsic value method prescribed by Employee Stock Options Scheme and permitted by the SEBI guidelines, and the Guidance Note on Share-Based Payment issued by the Institute of Chartered Accountants of India (ICAI). The intrinsic value of the option, being excess of market value of the underlying share at the date of grant of option over its exercise price, is recognised as employee compensation expense in Statement of Profit and Loss, on straight-line basis over the vesting period of the option with a corresponding credit to Employee's Stock Options Outstanding. In case of forfeiture of option, which is not vested, the accumulated amount in Employee's Stock Options Outstanding account is reversed by credit to employee compensation expense. In a situation where the stock option expires unexercised, the related balance standing to the credit of the Employee's Stock Options Outstanding Account is transferred to the General Reserve.

Q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders are divided with the weighted average number of shares outstanding during the year after adjustment for the effects of all dilutive potential equity shares.

R) Provisions, Contingent Liabilities And Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and there is probable outflow of resources. Contingent Liabilities, where possibility of outflow is remote, are not provided for in accounts and amounts of material nature are disclosed by way of notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO FINANCIAL STATEMENT (CONTD.)

2. SHARE CAPITAL

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
Authorized		
410,000,000 (Previous Year: 410,000,000) Equity Shares of ₹ 1 each	410.00	410.00
	410.00	410.00
Issued, Subscribed and Paid Up		
102,316,462 (Previous Year: 102,316,462) Equity Shares of ₹ 1 each fully paid up.	102.32	102.32
Total	102.32	102.32

2.1 The Reconciliation of the number of shares outstanding is set out below:

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
Equity Shares at the beginning of the year	10,23,16,462	10,23,16,462
Add: Equity Shares issued during the year	-	-
Equity Shares At the end of the year	10,23,16,462	10,23,16,462

2.2 Rights, Preferences and Restrictions attached to Equity Shares:

The Company has one class of equity shares having a par value of ₹ 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

2.3 Details of shareholders holding more than 5% shares:

Name of Shareholders	As at 31-03-2017		As at 31-03-2016	
	No of Shares	%	No of Shares	%
Mr. Sajan Kumar Bansal	8,237,796	8.05	8,243,796	8.06
Mr. Siddharth Bansal	10,468,725	10.23	10,468,725	10.23
Mrs. Rashmi Bansal	6,864,396	6.71	6,864,396	6.71
Mrs. Sumedha Bansal	5,766,631	5.64	5,766,631	5.64
Skipper Plastics Limited	20,050,000	19.60	22,050,000	21.55

2.4 The Company does not have any Holding Company.

2.5 The Company has reserved Equity Shares for issue under the Employee Stock Options Scheme. Please refer note no. 38 on "Employee Share-Based Payment" for details of Employee Stock Options Plan.

2.6 None of the securities are convertible into shares at the end of the reporting period.

2.7 The Company during the preceding 5 years –

- (i) Has not allotted shares pursuant to contracts without payment received in cash.
- (ii) Has issued 4,872,212 nos. of shares as fully paid up by way of bonus shares.
- (iii) Has not bought back any shares.

2.8 There are no calls unpaid by Directors / Officers.

2.9 The Company has not forfeited any shares.

NOTES TO FINANCIAL STATEMENT (CONTD.)

3. RESERVES AND SURPLUS

Particulars	(₹ in millions)			
	As at 31-03-2017		As at 31-03-2016	
Revaluation Reserve (Refer note no. 11.1)				
As per Last Account	37.03		38.60	
Less: Depreciation on Revalued Fixed Assets transferred to General Reserve	0.34	36.69	1.57	37.03
Securities Premium Account				
As per Last Account		1,110.43		1,110.43
Capital Reserve				
As per Last Account	5.12		7.91	
Less: Adjusted during the year	-	5.12	2.79	5.12
Employee's Stock Options Outstanding				
As per Last Account	0.46		-	
Add: Compensation for the year	12.78		0.46	
Less: Transferred to General Reserve on Unexercised Options Lapsed / Cancelled	0.11	13.13	-	0.46
General Reserve				
As per Last Account	400.00		250.00	
Add: Transferred from Surplus in the Statement of Profit & Loss	-		148.43	
Add: Transferred from Employee's Stock Options Outstanding	0.11		-	
Add: Depreciation on Revalued Fixed Assets transferred from Revaluation Reserve	0.34	400.45	1.57	400.00
Surplus in the Statement of Profit and Loss				
As per Last Account	2,159.87		1,529.40	
Add: Profit for the year	1,114.97		951.30	
Amount Available for Appropriation	3,274.84		2,480.70	
Less: Appropriations				
Transfer to General Reserve	-		148.43	
Proposed Dividend on Equity Shares (Refer note no. 36)	-		143.24	
Corporate Tax on Dividend (Refer note no. 36)	-	3,274.84	29.16	2,159.87
Total		4,840.66		3,712.91

NOTES TO FINANCIAL STATEMENT (CONTD.)

4. LONG-TERM BORROWINGS

(₹ in millions)

Particulars	As at 31-03-2017		As at 31-03-2016	
SECURED LOANS				
From Banks				
Rupee Term Loans	610.93		434.91	
Foreign Currency Term Loans From Banks	694.10		479.99	
	1,305.03		914.90	
Less: Current maturities of term loan	203.17	1,101.86	148.81	766.09
From Bodies Corporate				
Rupee Term Loan	187.35		185.90	
Less: Current maturities of loans	-	187.35	9.30	176.60
Hire purchase loans				
From banks	21.70		32.78	
Less: Current maturities of loans	11.33	10.37	14.71	18.07
From others	3.69		4.24	
Less: Current maturities of loans	0.61	3.08	0.55	3.69
UNSECURED LOANS				
Loans from Related Parties		253.74		107.65
Term Loans				
From Bodies Corporate	59.79		119.58	
Less: Current maturities of loans	-	59.79	-	119.58
From Banks	46.29		50.47	
Less: Current maturities of loans	4.69	41.60	4.18	46.29
Intercorporate Loans		100.50		745.25
Total		1,758.29		1,983.22

Security against Secured Loans are as follows :

- 4.1 Rupee Term Loans from Banks of ₹ 9.17 million (Previous Year: ₹ 27.50 million) are secured by way of first pari- passu charge over all immovable and moveable fixed assets, both present and future of Jangalpur unit, Howrah of the company excluding those assets for which there is an exclusive charge of other lenders. It is further secured by the second pari-passu charge on the current assets of the Company both present and future, excluding those assets for which there is an exclusive charge of other lenders.
- 4.2 Rupee Term Loans from Banks of ₹ 119.76 million (Previous Year: ₹ 207.41 million) and Foreign Currency Term Loans of ₹ 538.49 million (Previous Year: ₹ 479.99 million) are secured by way of first pari- passu charge over all immovable and moveable fixed assets, both present and future of Uluberia unit, Howrah of the company excluding those assets for which there is an exclusive charge of other lenders. It is further secured by the second pari-passu charge on the current assets of the Company both present and future, excluding those assets for which there is an exclusive charge of other lenders.
- 4.3 Foreign Currency Term Loan from Banks of ₹ 155.61 million (Previous Year: Nil) and Rupee Term Loan from banks of ₹ Nil (Previous Year: ₹ 200 million) is secured by way of first pari- passu charge over all immovable and moveable fixed assets, both present and future of Uluberia unit and Jangalpur Unit, Howrah of the company excluding those assets for which there is an exclusive charge of other bankers. It is further secured by the second pari-passu charge on the current assets of the Company both present and future, excluding those assets for which there is an exclusive charge of other bankers.

NOTES TO FINANCIAL STATEMENT (CONTD.)

- 4.4** Rupee Term Loan from Body Corporate of ₹ 187.35 million (Previous Year: ₹ 185.90 million) is secured by way of first pari- passu charge on plant & machinery of Polymer units situated at Ahmedabad, Guwahati (Unit 1), Hyderabad & Sikandrabad.
- 4.5** Rupee Term Loans from Banks of ₹ 482 million (Previous Year: Nil) is secured by way of first pari- passu charge over all immovable and moveable fixed assets, both present and future, of Guwahati (Unit 2).
- 4.6** Vehicle loans from Banks of ₹ 21.70 million (Previous Year: ₹ 32.78 million) and ₹ 3.69 million (Previous Year: ₹ 4.24 million) from Others are secured against hypothecation of respective fixed assets financed by them.
- 4.7** Repayment schedule as on 31st March, 2017 is as follows:

Year of Repayment	Secured				Unsecured	
	Rupee Loan from bank	Rupee Loan from Body Corporate	Foreign Currency Loan	Hire purchase loans	Rupee Loan from Body Corporate	Rupee Loan from bank
2017-18	20.09	-	183.08	11.94	-	4.69
2018-19	161.77	49.96	149.04	6.92	59.79	5.28
2019-20	127.83	49.96	115.00	4.35	-	5.93
2020-21	80.33	49.96	110.61	1.62	-	6.67
2021-22	80.33	37.47	75.00	0.56	-	7.49
2022-23	80.33	-	61.37	-	-	8.42
2023-24	60.25	-	-	-	-	7.81
	610.93	187.35	694.10	25.39	59.79	46.29

- 4.8** Loans From Related Parties of ₹ 253.74 million (Previous Year: ₹ 107.65 million) and Loans From Other Body Corporate of ₹ 100.50 million (Previous Year: ₹ 745.25 million), being long term in nature, have not been considered in the above repayment schedule.

4.9 Interest Rates:

- (i) Rupee Term Loan from Banks carries interest ranging from base rate/MCLR plus 20 bps to base rate/MCLR plus 300 bps, Rupee Term Loan from Body Corporates carries interest of SBI base rate plus 130 bps and Foreign currency Term Loans from Banks bear interest from 3 months libor plus 250 bps to 6 months libor plus 390 bps.
- (ii) Vehicle Loan from Banks/Others carries interest rate between 9% to 12% p.a.
- (iii) Unsecured Loan from Body corporates, from Related parties and from Banks carries interest between 9% to 12.50% p.a.

5. DEFERRED TAX LIABILITIES (NET)

The Company has recognized Deferred Tax Liability as per Accounting Standard-22 regarding 'Accounting for Taxes on Income'. The movement of major components of deferred tax provision/adjustment is:

Particulars	(₹ in millions)		
	As at 31-03-2017	During the year	As at 31-03-2016
Deferred tax liability :			
Difference between book and tax depreciation	396.54	79.19	317.35
Less: Deferred Tax Assets :			
Employee's Separation and Retirement Expenses	5.59	3.01	2.58
Total	390.95	76.18	314.77

NOTES TO FINANCIAL STATEMENT (CONTD.)

6. LONG-TERM PROVISIONS

(₹ in millions)		
Particulars	As at 31-03-2017	As at 31-03-2016
Provision for employee benefits		
Gratuity	17.80	10.88
Leave encashment	4.10	2.58
Total	21.90	13.46

7. SHORT-TERM BORROWINGS

(₹ in millions)		
Particulars	As at 31-03-2017	As at 31-03-2016
SECURED LOANS		
Working Capital Facilities from Banks		
Cash Credit facilities including Commercial Paper	1,931.52	1,490.56
Buyers Credit from Banks		
For Capital Expenditure	123.87	101.78
For Operational Use	344.94	336.84
UNSECURED LOANS		
Short Term Borrowings From Banks	-	592.01
Total	2,400.33	2,521.19

7.1 Working Capital and Buyers Credit are secured by first charge on current assets and second charge on fixed assets of Jangalpur, Uluberia, Ahmedabad, Guwahati (Unit 1), Hyderabad & Sikandrabad Units of the Company and also by personal guarantees of some of the directors of the Company.

7.2 Interest on working Capital Facilities from banks carries interest ranging from 6.75% to 10.45%. Buyer's Credit from Banks bears interest from 3 months/ 6 months libor plus 20 bps to 3 months/6 months libor plus 80 bps.

8. TRADE PAYABLES

(₹ in millions)		
Particulars	As at 31-03-2017	As at 31-03-2016
Dues of Micro and Small Enterprises (Refer note no. 31)	16.39	11.63
Dues of Other than Micro and Small Enterprises	2,874.67	2,112.17
Total	2,891.06	2,123.80

NOTES TO FINANCIAL STATEMENT (CONTD.)

9. OTHER CURRENT LIABILITIES

(₹ in millions)

Particulars	As at 31-03-2017	As at 31-03-2016
Current maturities of Long-Term Debt including unsecured Loans	207.86	162.29
Current maturities of Hire Purchase Loans	11.94	15.26
Advance from Customers	432.46	610.73
Liability for Capital Expenditure	84.40	44.43
Interest accrued but not due	1.04	1.37
Interest accrued and due	17.84	17.18
Unpaid dividend	0.13	0.09
Other payables (including statutory and employee related liability)	143.81	86.35
Total	899.48	937.70

10. SHORT-TERM PROVISIONS

(₹ in millions)

Particulars	As at 31-03-2017	As at 31-03-2016
Provision for Income Tax (Net of Advance Tax)	-	16.42
Provision for employee benefits		
Gratuity	3.85	3.81
Leave encashment	0.81	0.58
Proposed Dividend	-	143.24
Tax on Dividend	-	29.16
Total	4.66	193.21

11. FIXED ASSETS

Description	GROSS BLOCK		DEPRECIATION & AMORTISATION			NET BLOCK	
	As at 01-04-2016	As at Additions Deductions	As at 31-03-2016	For the year	Deductions	As at 31-03-2017	As at 31-03-2016
TANGIBLES:							
Land and Land Development	334.47	40.71	-	-	-	375.18	334.47
Buildings	1,257.72	401.34	203.92	47.36	-	1,659.06	1,053.80
Plant and Machinery	3,125.76	641.80	745.98	250.54	0.33	3,766.71	2,379.78
Furniture and Fixtures	43.02	14.30	13.66	4.38	-	57.32	29.36
Vehicles	67.06	7.83	24.51	8.35	2.08	71.92	42.55
Sub-total (A)	4,828.03	1,105.98	988.07	310.63	2.41	5,930.19	3,839.96
INTANGIBLES:							
Computer Software	27.91	0.85	15.45	4.84	-	28.76	12.46
Sub-total (B)	27.91	0.85	15.45	4.84	-	28.76	12.46
Grand Total (A + B)	4,855.94	1,106.83	1,003.52	315.47	2.41	5,958.95	3,852.42
Previous year	4,295.00	617.38	782.33	241.15	19.96	4,855.94	-
Capital Work in Progress							399.46

11.1 Land and Building were revalued in 1996-1997 on the basis of valuation report by approved valuers on the basis of replacement value and the resultant surplus thereon amounting to ₹ 43.52 million was transferred to revaluation reserve.

11.2 Fixed assets include assets acquired on finance :

	As at 31-03-2017		As at 31-03-2016	
	Gross Block	Net Block	Gross Block	Net Block
- From Banks	68.68	53.53	64.33	55.12
- From Others	5.58	4.36	5.58	5.02

NOTES TO FINANCIAL STATEMENT (CONTD.)

12. LONG-TERM LOANS AND ADVANCES

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
<i>(Unsecured , Considered Good)</i>		
Advances for Capital Goods	149.99	21.78
Total	149.99	21.78

13. INVENTORIES

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
<i>(As taken, valued and certified by the management)</i>		
Raw Materials	1,171.19	1,003.49
Stores and Spare Parts	290.42	150.93
Work-In-Process	581.23	392.04
Finished Goods	1,600.95	928.04
Scrap and Waste	38.01	25.37
Total	3,681.80	2,499.87

14. TRADE RECEIVABLES

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
<i>(Unsecured , Considered Good)</i>		
Outstanding for a period		
Exceeding six months	152.39	128.44
Other Trade Receivables	3,577.27	3,595.23
Total	3,729.66	3,723.67

15. CASH AND CASH EQUIVALENTS

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
CASH AND CASH EQUIVALENTS		
Cash on hand (as certified)	3.05	2.57
Balances with Scheduled Banks		
In Current Accounts	5.18	78.12
In Unpaid Dividend Account	0.13	0.09
In Deposits with less than three months initial maturity*	6.57	65.69
	14.93	143.90
	14.93	146.47
OTHER BANK BALANCES		
In Deposits with more than three months initial maturity *	234.42	351.49
* Pledged against guarantees and letters of credit issued by banks		
Total	249.35	497.96

NOTES TO FINANCIAL STATEMENT (CONTD.)

16. SHORT-TERM LOANS AND ADVANCES

Particulars	(₹ in millions)	
	As at 31-03-2017	As at 31-03-2016
<i>(Unsecured, Considered Good)</i>		
Balances with Government Authorities	249.77	524.78
Advance Income Tax (net of provision)	61.85	-
Security & Other Deposits	54.04	49.51
Other Advances *	347.20	333.13
Total	712.86	907.42

* Other Advances includes Advance to Suppliers of ₹ 265.13 million (Previous Year: ₹ 159.14 million) and Incentive Receivable of ₹ 27.68 million (Previous Year: ₹ 102.31 million).

17. REVENUE FROM OPERATIONS

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Sale of Goods	17,157.58	15,211.11
Income From Job Work	140.81	140.76
Income from Infrastructure Projects	813.00	276.58
Other Operational Revenues (Refer note no. 29)	243.92	438.72
Total	18,355.31	16,067.17
Particulars of Sale		
Engineering Products	14,998.50	13,553.00
PVC Products	2,159.08	1,658.11
Total	17,157.58	15,211.11

18. OTHER INCOME

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Interest	26.56	43.63
Miscellaneous Income	4.69	8.03
Total	31.25	51.66

19. COST OF MATERIALS CONSUMED

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Cost of Materials (including conversion charges and procurement expenses)	11,729.50	9,538.05

19.1 Consumption of Imported & Indigenous Raw Materials

Particulars	(₹ in millions)			
	Year ended 31-03-2017		Year ended 31-03-2016	
	Amount	%	Amount	%
Indigenous	10,071.49	85.86	8,784.93	92.10
Imported	1,658.01	14.14	753.12	7.90
Total	11,729.50	100.00	9,538.05	100.00

NOTES TO FINANCIAL STATEMENT (CONTD.)

19.2 Particulars of Materials Consumed

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Steel Products	8,733.15	7,927.31
Zinc	1,201.97	850.24
PVC Resin	1,713.04	744.90
Others	81.34	15.60
Total	11,729.50	9,538.05

19.3 Shortage/excess (if any) on physical verification have been adjusted in the consumption shown above.

20. CHANGES IN INVENTORIES OF FINISHED GOODS & WORK IN PROGRESS

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Opening Stock :		
Work-In-Process	392.04	902.79
Finished Goods	928.04	288.93
Scrap and Waste	25.37	17.85
	1,345.45	1,209.57
Less: Closing Stock		
Work-In-Process	581.23	392.04
Finished Goods	1,600.95	928.04
Scrap & Waste	38.01	25.37
	2,220.19	1,345.45
(Increase)/Decrease in Stock	(874.74)	(135.88)
Increase/(Decrease) in Excise Duty on Finished Goods	53.26	82.77
Total	(821.48)	(53.11)

21. EMPLOYEE BENEFIT EXPENSES

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Salaries, Wages, Bonus and Allowances	543.83	372.43
Directors' Remuneration	120.00	75.52
Contribution to Provident and Other Funds	41.76	38.54
Employee Share-Based Payments (Refer note no.38)	12.78	0.46
Workmen and Staff Welfare Expenses	13.17	12.67
Total	731.54	499.62

22. FINANCE COSTS

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Interest Expenses	558.23	554.07
Exchange Differences arising from Foreign Currency Borrowings to the extent regarded as an adjustment to Interest Costs	52.75	15.97
Total	610.98	570.04

NOTES TO FINANCIAL STATEMENT (CONTD.)

23. OTHER EXPENSES

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
		(₹ in millions)
Consumption of Stores and Spare Parts [Including imported materials ₹ 1.36 million (0.24%) (Previous Year: ₹ 5.54 million (1.63%)]	565.80	340.78
Power and Fuels	579.71	452.68
Labour Charges & Project Expenses	633.39	605.04
Repairs to Machinery	86.54	71.77
Repairs to Building	36.03	14.12
Miscellaneous Expenses	31.18	94.79
Rent and Hire Charges	69.44	34.48
Rates and Taxes	20.88	12.33
Insurance	26.49	13.68
Electricity Charges	3.64	3.03
Travelling and Conveyance Expenses	100.88	52.17
Communication Expenses	10.31	7.79
Bank Charges and Commission	70.96	78.13
Freight, Packing and Handling Expenses (net)	140.22	393.08
Legal and Professional Expenses	72.49	43.02
Other Maintenance Expenses	55.49	35.46
Security Service Expenses	38.65	24.81
Advertisement and Sales Promotion Expenses	148.86	109.62
Commission	42.07	78.75
Discount	190.36	54.23
Exchange Difference arising in Foreign Currency Transactions and Translation	(117.86)	121.25
Loss on sale of Fixed Assets	0.77	4.03
Irrecoverable Debts/Advances Written Off (net)	6.67	60.68
Charity and Donations	0.61	-
Corporate Social Responsibility	21.97	14.38
Auditors' Remuneration (Refer note no. 23.1)	1.59	1.45
Miscellaneous Expenses (Refer note no. 23.2)	92.55	163.63
Total	2,929.69	2,885.18
23.1 Auditors' Remuneration includes:		
Statutory Audit Fees	1.00	1.00
Certification Fee	0.59	0.45
Total	1.59	1.45
23.2 Miscellaneous expenses includes:		
Sitting Fee to Directors	0.67	0.62
Commission to Independent Directors	0.40	0.40
Total	1.07	1.02

NOTES TO FINANCIAL STATEMENT (CONTD.)

24. CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF

		(₹ in millions)	
Particulars		As at 31-03-2017	As at 31-03-2016
Claims against the Company not acknowledged as debt Disputed tax/duties are as follows:-			
<u>Nature of Contingent Liability</u>	<u>Status Indicating Uncertainties</u>		
Demand notices issued by Central Excise Department	The matter is pending with Commissioner(A) /CESTAT. (Related to year: 2005-06, 2007-08, 2009-10 to 2012-13) [Paid ₹ 10 million (Previous Year: ₹ 10 million)]	29.99	29.99
Demand notices issued by Service Tax Department	The matter is pending with Commissioner(A) / CESTAT (Related to year: 2005-06, 2007-08, 2009-10 to 2012-13) [Paid ₹ 0.01 million (Previous Year: ₹ 0.01 million)]	17.20	6.10
CST Demand issued by Assessing Authority	The matter is pending with Joint Commissioner- Commercial Taxes / WB Commercial Taxes Appellate & Revisional Board (Related to year: 2005-06, 2006-07, 2011-12 & 2012-13)	53.65	53.65
Sales tax/VAT demands issued by Assessing Authority	The matter is pending with Joint Commissioner- Commercial Taxes/Additional Commissioner- Commercial Taxes/ WB Commercial Taxes Appellate & Revisional Board (Related to year: 2005-06, 2006-07, 2009-10, 2011-12 & 2012-13)	77.18	77.18

24.1 The Company does not expect any reimbursements in respect of the above contingent liability.

24.2 It is not practicable to estimate the timing of cash outflows, if any, in respect of matters at pending resolution of the appellate proceedings.

24.3 A nine judge bench of the Supreme Court of India upheld the constitutional validity of entry tax by majority decision subject to fulfilling of certain conditions. Majority members held that entry tax should not be discriminatory in nature. The writ petition is pending at the division bench of Kolkata challenging the levy of West Bengal tax on Entry of goods into local areas Act 2012 (the Act), on the ground that it is violation of articles 304(a) and Article 14 of the Constitution. The Hon'ble High Court of Calcutta has granted interim order that tax shall not be realized by State. However, the petitioner Companies have been directed to comply with the provisions of Entry tax relating to filing of return etc.

It has been legally advised that the levy of Entry tax in the state of West Bengal would not pass the acid test of discrimination in as much as the Hon'ble Supreme Court has categorically stated that "State Legislature in exercise of its taxing power can grant exemption / set off to locally produce and manufactured goods only to a limited extent based on the intelligible differentia which is not in the nature of the general / unspecified exemptions." There is a blanket, unlimited and unspecified exemption provided by the state of West Bengal on the intra-state movement of goods, which may contradict the guidelines laid down by the Hon'ble Supreme Court.

In view of the above fact and as per the legal opinion received, management is of the view that no provision is required on account of entry tax.

25. Estimated amount of contracts pending execution on capital account net of advances of ₹ 149.99 million (Previous Year: ₹ 21.78 million) and not provided for is ₹ 98.03 million (Previous Year: ₹ 90.50 million).

NOTES TO FINANCIAL STATEMENT (CONTD.)

- 26.** As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the company. The disclosure in respect of CSR Expenditure during the year as aligned with the CSR Policy of the Company which is in line with the activities specified in Schedule VII of the Companies Act, 2013 is as under:

Particulars	(₹ in millions)			
	Year ended 31-03-2017		Year ended 31-03-2016	
(a) Gross amount required to be spent by the Company during the year	21.16		13.43	
	Amount Paid	Amount yet to be paid	Amount Paid	Amount yet to be paid
(b) Amount spent during the year on:-				
(i) Promotion of Education	-	-	0.49	-
(ii) Promoting Healthcare including Preventive Healthcare	3.21	-	0.17	-
(iii) Contribution to Prime Minister's National Relief Fund	-	-	0.10	-
(iv) Contribution for promotion of education	6.39	-	2.50	-
(v) Contribution to Trust Controlled by the Company towards health care & education	-	-	3.00	-
(vi) Contribution to Trust Controlled by the Company towards skill development	9.00	-	5.00	-
(vii) Contribution for Animal Welfare	2.78	-	2.00	-
(viii) Contribution for Art & Culture	0.30	-	0.80	-
(ix) Contribution for Road Safety	0.29	-	0.32	-
Total	21.97	-	14.38	-

- 27.** The Company is accounting for transactions in foreign currency as per Clause 46A of Accounting Standard-11- Effects of changes in foreign exchange rates and has exercised the option of deferment of exchange fluctuation on long term liabilities granted by Companies (Accounting Standards) (Second Amendment) Rules, 2011 issued by the Ministry of Corporate Affairs on 29.12.2011 by way of capitalization to the respective fixed assets.
- 28.** In the opinion of the management, no impairment loss is required to be charged to Statement of Profit and Loss at the end of the financial year.
- 29.** Other Operational Income includes ₹ 193.26 million (Previous Year: ₹ 181.37 million) towards the gains realized on cancellation /roll over of forward contracts (foreign currency) relating to future export sales (firm commitment).
- 30.** Balances of certain debtors and creditors are subject to confirmation and reconciliation. In the opinion of the management, current assets, loan and advances will have value on realization in the ordinary course of business at least equal to the amount at which they are stated.

NOTES TO FINANCIAL STATEMENT (CONTD.)

- 31.** The information regarding amounts due to creditors registered under the Micro, Small and Medium Enterprises Development Act, 2006, has been given to the extent available with the Company. The required disclosures of outstanding dues of micro, small & medium enterprises are as under:

Particulars	2016-17	2015-16
	(₹ in millions)	
(a) Principal amount remaining unpaid as at 31 st March (Not Due)	16.39	11.63
(b) Interest amount remaining unpaid as at 31 st March	Nil	Nil
(c) Interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.	Nil	Nil
(d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
(e) Interest accrued and remaining unpaid as at 31 st March	Nil	Nil
(f) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

- 32.** Disclosures pursuant to Accounting Standard-7 "Construction Contracts" notified in the Companies (Accounting Standards) Rules 2006, are given below:

Particulars	2016-17	2015-16
	(₹ in millions)	
(a) Contract revenue recognized for the year	813.00	276.58
(b) Aggregate amount of contract costs incurred and recognized profits (less recognized losses) upto the Reporting date	1,631.93	818.93
(c) Amount of customer advances outstanding for contracts in progress as at March 31	Nil	Nil
(d) Retention amounts due from customers for contracts in progress as at March 31	118.69	78.34
(e) Unbilled revenues included under sundry debtors	Nil	8.56
(f) Unearned revenue included under sundry creditors	Nil	Nil

- 33.** The disclosures required under Accounting Standard 15 "Employees Benefits" notified in the Companies (Accounting Standards) Rules 2006, are given below:

(a) Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

Particulars	2016-17	2015-16
	(₹ in millions)	
Contribution to Provident and other funds:		
Employer's Contribution to Provident Fund	8.10	9.69
Employer's Contribution to Pension Scheme	15.01	6.14
Employees Deposit Linked Insurance	0.91	0.64
Workmen and Staff Welfare Fund:		
Employees State Insurance Corporation	7.15	5.42
Labour Welfare Fund	0.04	0.03
Total	31.21	21.92

NOTES TO FINANCIAL STATEMENT (CONTD.)

(b) Defined Benefit Plan :

Post employment and other long term employee benefits in the form of gratuity and leave encashment are considered as defined benefit obligation. The employees' gratuity fund scheme managed by Life Insurance Corporation of India is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

Particulars	(₹ in millions)			
	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2016-2017	2015-2016	2016-2017	2015-2016
(i) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined benefit obligation at beginning of the year	24.47	7.73	3.17	2.74
Current service cost	6.24	4.51	7.97	6.29
Interest cost	2.14	1.29	0.30	0.24
Actuarial (gain)/loss	1.02	11.84	9.39	16.58
Benefits paid	(1.24)	(0.90)	(15.92)	(22.68)
Defined benefit obligation at year end	32.63	24.47	4.91	3.17
(ii) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	9.78	8.68	-	-
Expected return on plan assets	0.78	1.10	-	-
Actuarial gain/(loss)	0.00	(0.36)	-	-
Employer contribution	1.66	1.26	-	-
Benefits paid	(1.25)	(0.90)	-	-
Fair value of plan assets at year end	10.97	9.78	-	-
Actual return on plan assets	0.78	0.74	-	-
(iii) Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at 31 st March	10.97	9.78	-	-
Present value of obligation as at 31 st March	32.63	24.47	4.91	3.17
Net asset/(liability) recognized in Balance Sheet	(21.66)	(14.69)	(4.91)	(3.17)
(iv) Expenses recognized during the year				
Current service cost	6.24	4.51	7.97	6.29
Interest cost	2.14	1.29	0.30	0.24
Expected return on plan assets	(0.78)	(1.10)	-	-
Actuarial (gain) / loss	1.02	12.20	9.39	16.58
Net cost	8.62	16.90	17.66	23.11
(v) Investment details				
L.I.C. Group Gratuity (Cash Accumulation Policy)	100	100	Nil	Nil
(vi) Actuarial assumptions:				
Mortality table (L.I.C.)	2006-08 (ultimate)	1994-96 (ultimate)	Indian Assured Lives Mortality (2006 - 08) (ultimate)	
Discount rate (per annum)	7.50%	8.00%	7.50%	8.00%
Expected rate of return on plan assets (per annum)	7.50%	8.00%	-	-
Rate of escalation in salary (per annum)	3.00%	3.00%	3.00%	3.00%

Liability for leave payable at the time of retirement has been recognized on actuarial basis.

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

NOTES TO FINANCIAL STATEMENT (CONTD.)

34. OPERATING LEASE

The Company has taken various residential/commercial premises under cancelable operating leases except for land taken on lease for units located at Guwahati (Unit 1), Telangana & Ahmedabad with a lock-in-period of 36 months and Mumbai office for 24 Months from start of lease period. There is escalation clause in certain lease agreement. There are no restrictions imposed by lease agreements. These lease agreements are normally renewed on expiry.

	(₹ in millions)	
Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Lease payments for the year	54.53	22.03

35. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation

		(₹ in millions, except number of shares)	
Particulars		Year ended 31-03-2017	Year ended 31-03-2016
Profit After Taxation as per Statement of Profit & Loss	(a)	1,114.97	951.30
Weighted-average Number of Equity Shares for computing basic EPS (Nos.)	(b)	102,316,462	102,316,462
Add: Dilutive Impact of Employee Stock Options Scheme	(c)	109,083	2,976
Weighted-average Number of Equity Shares for computing diluted EPS	(d=b+c)	102,425,545	102,319,438
Basic EPS -[In ₹]	(a/b)	10.90	9.30
Diluted EPS -[In ₹]	(a/d)	10.89	9.30

36. For the year ended 31st March, 2017, the Board of Directors of the Company has recommended dividend of ₹ 1.55 per share (Previous Year: ₹ 1.40 per share) to equity shareholders.

37. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	(₹ in millions)	
Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Raw Materials	1,623.49	1,167.01
Components, Spare Parts and Stores etc.	5.43	9.50
Capital Goods (including Capital Work In Progress)	65.09	115.70

38. EMPLOYEE SHARE-BASED PAYMENT:

Employee Stock Options Plan 2015 ("ESOP 2015")

On 7th January, 2016, the Shareholders of the Company approved the Employee Stock Options Plan 2015 ("ESOP 2015") for issue of Option not exceeding 2,000,000 (Two million) options to its permanent employees (including a Director, whether whole time or not but excluding independent directors) of the Company, working in India or outside India. Each option when exercised would be converted into one Equity Share of ₹ 1/- (₹ One) each fully paid-up, i.e. mode of settlement will be equity settled. The above options shall be granted with a graded vesting schedule of 25% at the end of each year from grant date over a period of 4 years, conditional on Corporate Performance Matrix as per Plan. All the options granted on any date shall vest not earlier than 1(one) year and not later than a maximum of 6 (six) years from the date of grant of options. The Exercise period would commence from the date of vesting and will expire on completion of 5 (five) years from the date of respective vesting and these options do not carry rights to dividends or voting rights till the date of exercise. The Shares issued upon exercise of Options shall be freely transferable and shall not be subject to any lock-in period restriction after such exercise, except as required by SEBI Regulations.

Method used for accounting of share based payment plan:

The Company has used intrinsic value method to account for the compensation cost of stock options granted as per above scheme. Intrinsic value is the amount by which the quoted market price of the

NOTES TO FINANCIAL STATEMENT (CONTD.)

underlying share exceeds the exercise price of the option. Since the options under the Scheme were granted at less than market price, consequently the accounting value of the option (compensation cost) is ₹ 12.78 million (Previous Year: ₹ 0.46 million).

According to ESOP 2015, so far the Company has granted 1,185,000 options (Previous Year: 410,000 options) to its eligible employees, out of which 40,000 options (Previous Year: Nil options) has been cancelled/lapsed, and are available for grant as per the term of the Scheme. A summary of the activity in the stock options granted under ESOP 2015 for the year ended 31st March, 2017, is as follows:

Particulars	Stock Options (Numbers)	Weighted-Average Exercise Price (In ₹)	Range of Exercise Price (In ₹)	Weighted-Average Remaining Contractual life (Yrs.)
Outstanding at the beginning of the year	410000	100	100	7.67
Granted during the year	775000	100	100	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Cancelled/ Expired during the year	40000	100	100	-
Outstanding at the end of the year	1145000	100	100	7.00
Exercisable at the end of the year	-	-	-	-

A summary of the activity in the stock options granted under ESOP 2015 for the year ended 31st March, 2016, is as follows:

Particulars	Stock Options (Numbers)	Weighted-Average Exercise Price (In ₹)	Range of Exercise Price (In ₹)	Weighted-Average Remaining Contractual life (Yrs.)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	410000	100	100	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	410000	100	100	7.67
Exercisable at the end of the year	-	-	-	-

Fair Valuation:

The Fair Value of the options used to compute net profit and earnings per share have been done by an independent valuer using Black and Scholes Model. The details of options granted during the year ended 31st March, 2017, the key assumptions and the Fair Value on the date of grant are as under:

Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Number of Option granted	775,000	410,000
Options grant date	10-Nov-16	9-Mar-16
Exercise Price (₹)	100.00	100.00
Risk-Free Interest Rate (%)	6.59	7.60
Weighted-average Fair Value per Option (₹)	79.85	85.65
Life of Options granted	5.06	5.24
Expected Volatility	45.82	55.86
Expected Dividend Yield (%)	0.98	0.93

NOTES TO FINANCIAL STATEMENT (CONTD.)

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

The Company measures compensation cost for the stock options granted using intrinsic value method. Had the compensation cost been determined in a manner consistent with fair value approach, the Company's net profit and earnings per share as reported would have been as under:

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Reported Net Profit for the period	1,114.97	951.30
Add: Compensation Cost under ESOP as per Intrinsic Value	12.78	0.46
Less: Compensation Cost under ESOP as per Fair Value	27.20	0.91
Proforma Net Profit for the period	1,100.55	950.85
Basic Earnings Per Share		
As Reported	10.90	9.30
Proforma	10.76	9.29
Diluted Earnings Per Share		
As Reported	10.89	9.30
Proforma	10.74	9.29

39. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2017

(A) Primary Segment (Business Segment)

Reportable Segments	Year ended 31 st March, 2017				Year ended 31 st March, 2016			
	Engineering Products	Infrastructure Projects	Polymer Products	Total	Engineering Products	Infrastructure Projects	Polymer Products	Total
Revenue								
External Sales/receipts	15,383.15	813.00	2,159.16	18,355.31	14,132.48	276.58	1,658.11	16,067.17
Less: Excise Duty	1,146.59	-	179.08	1,325.67	872.17	-	132.77	1,004.94
Net Turnover	14,236.56	813.00	1,980.08	17,029.64	13,260.31	276.58	1,525.34	15,062.23
Segment Results	2,082.58	111.03	165.45	2,359.06	1,937.43	42.79	165.09	2,145.31
Unallocated Corporate income /(expenses) (net of expense / income)				(209.45)				(185.94)
Operating Profit				2,149.61				1,959.37
Interest Expenses				610.98				570.04
Interest Income				26.56				43.63
Profit Before Tax				1,565.19				1,432.96
Less: Taxes				450.22				481.66
Profit After Tax				1,114.97				951.30
Segment Assets	9,658.22	761.19	2,432.74	12,852.15	9,234.08	359.85	1,606.78	11,200.71
Unallocated Assets				457.50				701.87
Total Assets				13,309.65				11,902.58
Segment Liabilities	2,959.80	187.06	394.80	3,541.66	2,437.92	42.93	430.12	2,910.97
Unallocated Liabilities				446.59				494.38
Total Liabilities				3,988.25				3,405.35
Capital Expenditure	473.17	34.71	404.42	912.30	513.50	0.60	437.75	951.85
Unallocated Capital Expenditure				28.78				28.45
Total Capital Expenditure				941.08				980.30
Depreciation	232.55	10.23	60.64	303.42	193.14	7.92	28.87	229.93
Unallocated Depreciation				12.05				11.22
Total Depreciation				315.47				241.15

NOTES TO FINANCIAL STATEMENT (CONTD.)

(B) Secondary Segment (Geographical Segment)

As overseas customers constitute a reportable segment, hence following items needs to be reported under geographical segments, considered as secondary segment, as per Accounting Standard (AS) 17 "Segment Reporting".

- (i) The following table shows the distribution of the Company's Revenue from operations by Geographical market.

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Domestic Market	15,583.86	8,501.09
Overseas Market	1,445.78	6,561.14
Total	17,029.64	15,062.23

- (ii) The following table shows the distribution of the Company's Trade Receivables by Geographical market.

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Domestic Market	3,581.61	2,969.69
Overseas Market	148.05	753.98
Total	3,729.66	3,723.67

(C) Other disclosures

There are no inter-segment revenues.

The Engineering Products segment includes Towers, Tower Accessories, Fasteners, Angles, Channels, Highmast Poles, Swaged Poles, scaffoldings etc.

The Infrastructure Projects segment includes Horizontal Direct Drilling services and Engineering, Procurement & Construction services.

The Polymer Product segment includes PVC, CPVC, UPVC, SWR pipes & fittings and other related products.

40. RELATED PARTY DISCLOSURES

A. List of the related parties and relatives with whom transactions have taken place.

(1) Key Management Personnels and their relatives.

- (i) Mr. Sajan Kumar Bansal -Managing Director
- (ii) Mr. Sharan Bansal -Whole Time Director
- (iii) Mr. Devesh Bansal -Whole Time Director
- (iv) Mr. Siddharth Bansal -Whole Time Director

(2) Parties where key managerial personnel along with their relatives have significant influence.

- (i) Skipper Realties Limited (Formerly Bansal TMT Steels Limited)
- (ii) Skipper Telelink Limited
- (iii) Ventex Trade Private Limited
- (iv) Skipper Plastics Limited (Formerly Rama Consultancy Company (1993) Limited)
- (v) Suviksit Investments Limited
- (vi) Skipper Polypipes Private Limited (Formerly Prakriti Steels Private Limited)
- (vii) Skipper Foundation
- (viii) Sadhuram Bansal Foundation
- (ix) Sheo Bai Bansal Charitable Trust

(3) Relatives of key managerial personnel

- (i) Mrs. Sumedha Bansal -Wife of Mr. Sharan Bansal
- (ii) Mrs. Rashmi Bansal -Wife of Mr. Devesh Bansal
- (iii) Mrs. Shruti M Bansal -Wife of Mr. Siddharth Bansal

NOTES TO FINANCIAL STATEMENT (CONTD.)

B. The following transactions were carried out with the related parties in the ordinary course of business :

(₹ in millions)

Particulars	2016-17			2015-16		
	In relation to item			In relation to item		
	A(1)	A(2)	A(3)	A(1)	A(2)	A(3)
(a) Remuneration Paid/Provided						
Mr. Sajan Kumar Bansal	48.00	-	-	30.00	-	-
Mr. Sharan Bansal	24.00	-	-	15.00	-	-
Mr. Devesh Bansal	24.00	-	-	15.00	-	-
Mr. Siddharth Bansal	24.00	-	-	15.00	-	-
(b) Donation given						
Sheo Bai Bansal Charitable Trust	-	0.50	-	-	-	-
Skipper Foundation	-	9.00	-	-	8.00	-
(c) Loan taken						
Mr. Sajan Kumar Bansal	77.50	-	-	57.20	-	-
Mr. Sharan Bansal	33.60	-	-	11.80	-	-
Mr. Devesh Bansal	34.80	-	-	13.40	-	-
Mr. Siddharth Bansal	46.10	-	-	25.60	-	-
Skipper Plastics Limited	-	310.90	-	-	-	-
Ventex Trade Private Limited	-	43.20	-	-	27.50	-
Skipper Realities Limited	-	43.00	-	-	10.30	-
Suviksit Investments Limited	-	0.80	-	-	0.25	-
Skipper Polypipes Private Limited	-	45.80	-	-	38.50	-
Skipper Telelink Limited	-	2.00	-	-	0.85	-
(d) Loan Refunded						
Mr. Sajan Kumar Bansal	83.40	-	-	70.20	-	-
Mr. Sharan Bansal	28.50	-	-	2.70	-	-
Mr. Devesh Bansal	31.20	-	-	11.00	-	-
Mr. Siddharth Bansal	41.60	-	-	12.50	-	-
Skipper Plastics Limited	-	181.30	-	-	-	-
Ventex Trade Private Limited	-	45.10	-	-	7.50	-
Skipper Realities Limited	-	46.12	-	-	9.90	-
Skipper Polypipes Private Limited	-	31.70	-	-	21.80	-
Skipper Telelink Limited	-	2.70	-	-	-	-
(e) Rent Paid/Provided						
Mr. Sajan Kumar Bansal	0.36	-	-	0.14	-	-
Skipper Realities Limited	-	1.92	-	-	1.12	-
Suviksit Investments Limited	-	1.08	-	-	0.48	-
Skipper Telelink Limited	-	0.85	-	-	0.40	-
Mrs. Sumedha bansal	-	-	0.31	-	-	0.18
(f) Interest Paid/Provided						
Mr. Sajan Kumar Bansal	3.31	-	-	2.58	-	-
Mr. Sharan Bansal	1.34	-	-	0.22	-	-
Mr. Devesh Bansal	1.40	-	-	0.89	-	-
Mr. Siddharth Bansal	2.15	-	-	0.86	-	-
Skipper Plastics Limited	-	1.07	-	-	-	-
Ventex Trade Private Limited	-	1.56	-	-	1.90	-
Skipper Realities Limited	-	5.77	-	-	0.80	-

NOTES TO FINANCIAL STATEMENT (CONTD.)

(₹ in millions)						
Particulars	2016-17 In relation to item			2015-16 In relation to item		
	A(1)	A(2)	A(3)	A(1)	A(2)	A(3)
Suvksit Investments Limited	-	0.03	-	-	0.01	-
Skipper Polypipes Private Limited	-	0.57	-	-	0.62	-
Skipper Telelink Limited	-	0.09	-	-	0.07	-
(g) Slump purchases						
Skipper Polypipes Private Limited	-	-	-	-	40.26	-
(h) Balance Outstanding on 31st March						
Loan						
Mr. Sajan Kumar Bansal	15.13	-	-	21.03	-	-
Mr. Sharan Bansal	15.50	-	-	10.40	-	-
Mr. Devesh Bansal	15.92	-	-	12.32	-	-
Mr. Siddharth Bansal	27.39	-	-	22.89	-	-
Skipper Plastics Limited	-	129.61	-	-	-	-
Ventex Trade Private Limited	-	18.10	-	-	20.00	-
Skipper Realities Limited	-	-	-	-	3.12	-
Suvksit Investments Limited	-	1.05	-	-	0.25	-
Skipper Polypipes Private Limited	-	30.80	-	-	16.70	-
Skipper Telelink Limited	-	0.24	-	-	0.95	-
Remuneration						
Mr. Sajan Kumar Bansal	1.55	-	-	0.50	-	-
Mr. Sharan Bansal	0.70	-	-	0.39	-	-
Mr. Devesh Bansal	0.75	-	-	0.24	-	-
Mr. Siddharth Bansal	0.65	-	-	0.25	-	-

41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in millions)		
Particulars	Year ended 31-03-2017	Year ended 31-03-2016
Finance cost	53.70	36.10
Bank Charges	0.29	-
Export Processing Charges	40.55	-
Detention Charges	24.84	-
Labour Charges	1.95	-
Sales Promotion	1.05	8.07
Subscription	0.11	0.21
Tender Fees	0.03	0.11
Travelling Expenses	0.23	7.26
Bank Guarantee Commission	1.69	7.07
Brokerage & Commission	42.11	62.57
Professional Fees & Consultancy	2.79	5.27
Insurance	8.73	27.02
Inspection Fees	0.34	0.53
Repairs & Maintenance	1.85	0.09
General Expenses	0.26	0.09

NOTES TO FINANCIAL STATEMENT (CONTD.)

42. SPECIFIED BANK NOTES ("SBN"):

Disclosure regarding Specified Bank Notes (SBN) held and transacted during the period 8th November, 2016 to 30th December, 2016 as per direction given by Ministry of Corporate Affairs vide Notification dated 30th March, 2017 is provided in the Table below:

Particulars	(₹ in millions)		
	Specified Bank Notes (SBN)	Other Denomination Notes	Total
Closing cash in hand as on 08.11. 2016	0.51	2.78	3.29
Add:			
Permitted receipts	-	0.16	0.16
Amount withdrawn from bank	-	4.35	4.35
Less:			
Permitted payments	-	4.27	4.27
Amount deposited in Banks	0.51	-	0.51
Closing cash in hand as on 30.12. 2016	-	3.02	3.02

43. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars of unhedged foreign currency exposure as at the reporting date.

Particulars	As at 31-03-2017		As at 31-03-2016	
	Foreign Currency (in millions)	INR Value (₹ in millions)	Foreign Currency (in millions)	INR Value (₹ in millions)
Import payables				
USD	0.08	5.37	4.88	323.61
Foreign Currency loans				
USD	6.93	449.59	6.66	441.78
Bills Payable				
USD	0.43	27.58	-	-
Buyers Credit Loan				
EUR	-	-	0.38	28.70
GBP	0.24	19.73	0.24	23.20
USD	2.80	181.54	5.78	383.41
Packing Credit Loan (Net of Foreign Currency Export Receivables)				
USD	-	-	10.30	683.08

44. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Sales of goods and services (including deemed exports in foreign currency)	2,220.94	7,096.54

NOTES TO FINANCIAL STATEMENT (CONTD.)

45. F.O.B. VALUE OF EXPORTS

Particulars	(₹ in millions)	
	Year ended 31-03-2017	Year ended 31-03-2016
Export of goods & services calculated on F.O.B. basis	1,322.53	6,230.85

46. Figures relating to the previous year have been regrouped and rearranged wherever necessary.

Significant Accounting Policies 1
The accompanying notes are an integral part of the financial statements

As per our report annexed
For **Singhi & Co.**
Chartered Accountants
Firm Regn No.-302049E

For and on behalf of the Board

Pradeep Kumar Singhi
Partner
Membership No. 50773

Sajan Kumar Bansal
Managing Director
DIN - 00063555

Sharan Bansal
Director
DIN - 00063481

Place: Kolkata
Dated: 15th May, 2017

Sanjay Kumar Agrawal
Chief Financial Officer

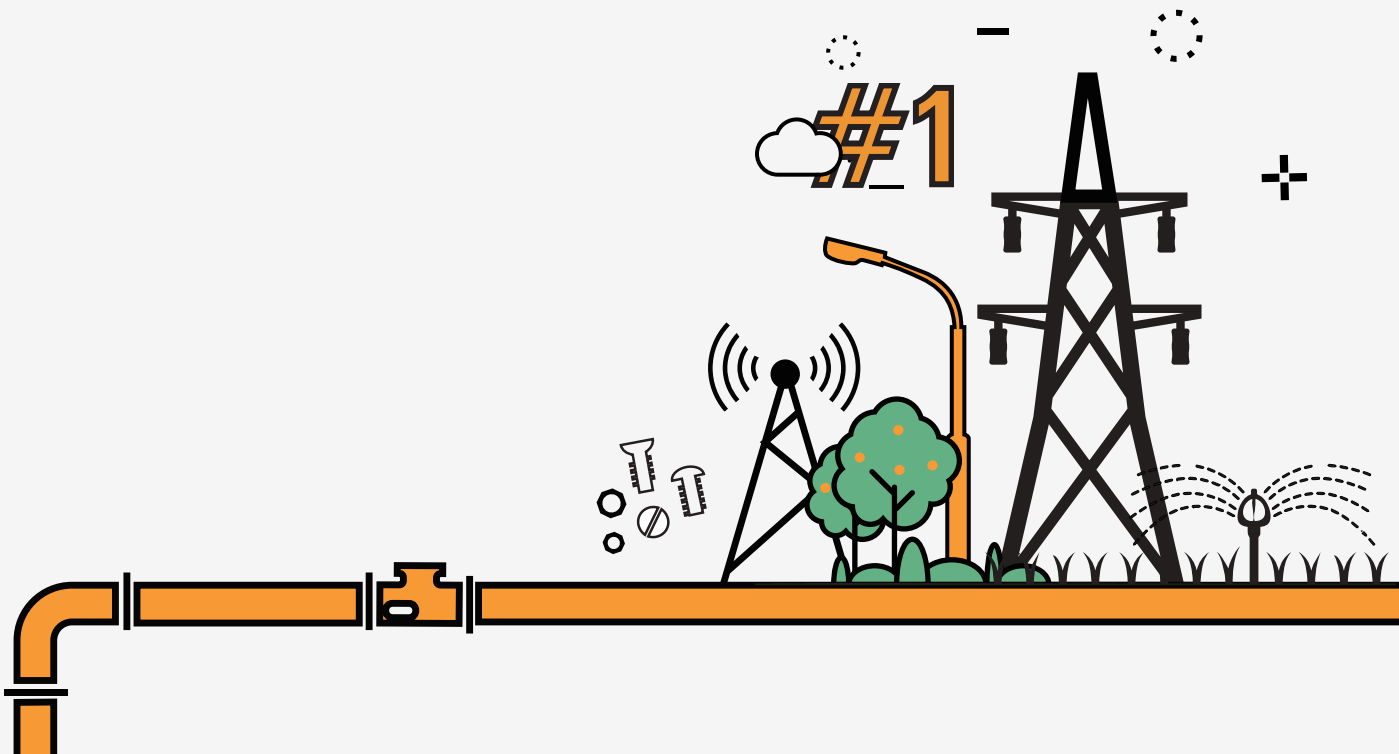
Manish Agarwal
Company Secretary

NOTES

Lined area for notes with horizontal dotted lines.

NOTES

A series of horizontal dotted lines for taking notes.





Skipper Limited

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