

ready. steady. go!





We are Ready – Over the past few years, we have grown and evolved in multiple ways. Today, we are well aligned and ready to meet India's growing need for power and water transmission. We are also better prepared to deepen our exports to other global emerging markets with similar needs. Our readiness to continue our solid track record of growth and value creation comes from:

- a strong manufacturing capability
- well permeated geographical reach
- a complete and top notch product portfolio
- best-in-class technologies and quality standard
- a highly capable management team backed by a highly motivated workforce
- a strong balance sheet with readily scalable access to capital
- advantage of being one of the lowest cost producers of our products



ready.

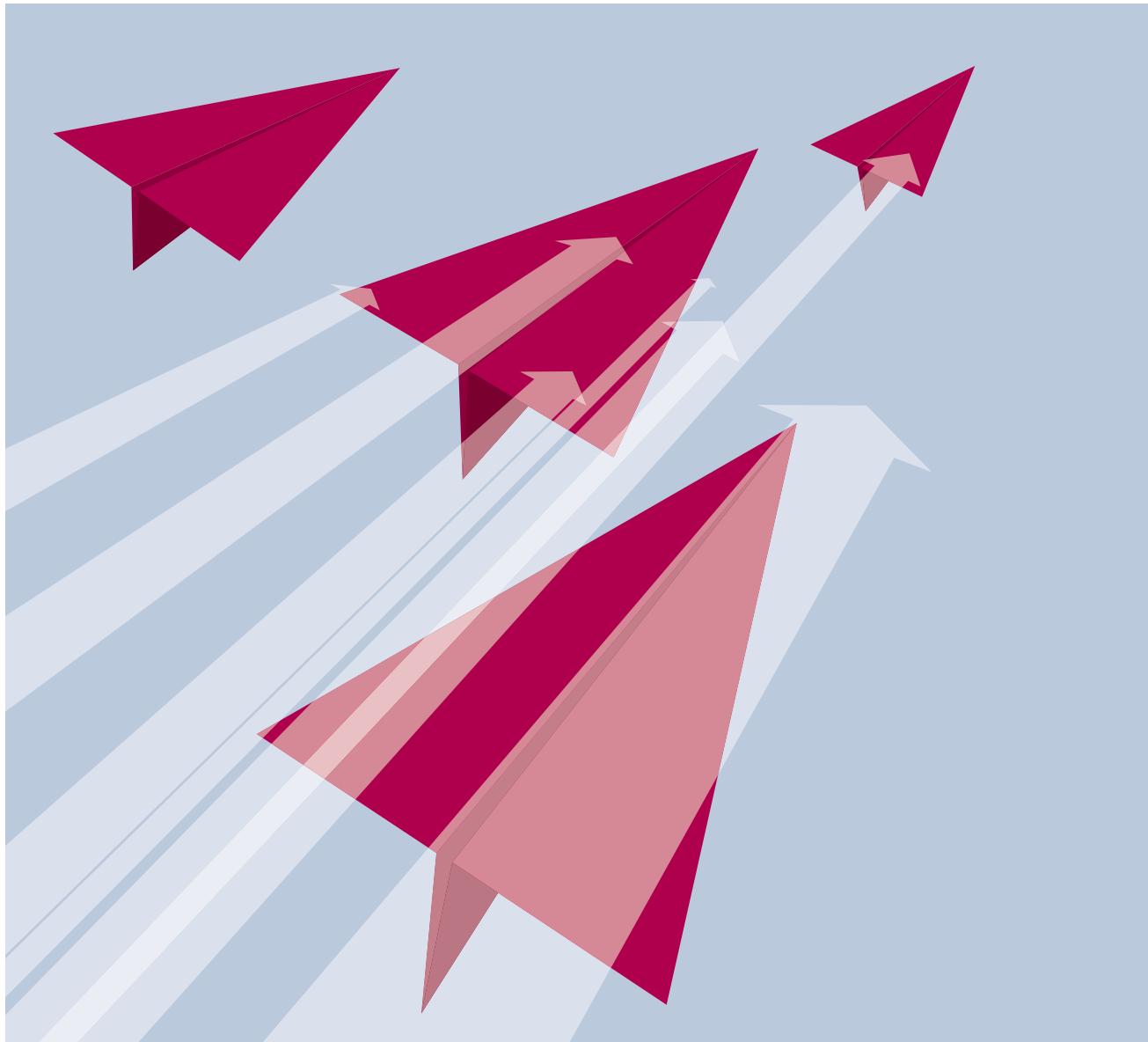


We are Steady—Our journey of progress is testimony to the core values held by Team Skipper. Our passion to perform is underpinned by the highest standards of governance that we benchmark ourselves to. This translates into having a robust corporate governance platform in terms of:

- our passionate adherence to our core values
- having a Board of Directors composed of eminent standard bearers of good governance
- being led by a dynamic management team that is well aligned to the interests of Skipper's customers, channel partners, employees and stakeholders
- our prudent use and management of our financial resources and capital
- our respect for complying with all the legal and regulatory framework that governs us
- low levels of leverage and an Asset-Light approach to new expansion
- strong relationships with our customer base



steady.



OUR MISSION

- To continue to add value-added products and services to its portfolio
- To continue to focus to sectors of power and water as per contemporary global demands
- To continue to tap newer geographies to add to the existing countries
- To ensure greater scale and technology, greater longevity of product, 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

We are set to GO! – Our ability to deliver consistent growth despite tough and turbulent economic cycles is testimony to the business principles and strategies we adhere to. We recognise that the need for our products and services will always be compelling, but may vary from one economic cycle to another. At Skipper, our Ready and Steady states ensure that we remain well grounded and are able to tap into the growth opportunities as they present themselves, both within lean and exuberant times. Going forward, the marketplace looks exciting and ripe with opportunities ready for the plucking. We are well positioned to capture these opportunities and deliver continuous growth and value creation. With a spring in our stride, we are set to GO!



go!



ready. steady. go!

Our Vision

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



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Corporate Information

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. Joginder Pal Dua

Mr. Manindra Nath Banerjee

Mrs. Mamta Binani

AUDITORS

Singhi & Co.

Chartered Accountants

161, Sarat Bose Road,

Kolkata- 700026

P +91 33 2419 6000

Email: kolkata@singhico.com

Website: www.singhico.com

BANKERS

State Bank of India

Allahabad Bank

Bank of Baroda

Punjab National Bank

Oriental Bank of Commerce

Corporation Bank

Bank of India

Indian Overseas Bank

Union Bank of India

IDBI Bank

Syndicate Bank

Dena Bank

Chief Financial Officer

Mr. Sanjay Kumar Agrawal

Company Secretary

Mr. Arbind Kumar Jain

REGISTERED OFFICE

3A, Loudon Street

Kolkata- 700017, India

P +91 33 2289 5731/32

F +91 33 2289 5733

Email: mail@skipperlimited.com

Website: www.skipperlimited.com

WORKS

Jangalpur (Unit 1) & BCTL (Unit 2)

Jalan Industrial Complex,
NH6 (Bombay Road)

Village: Jangalpur

Post: Andu Mouri, Andul
Howrah – 711302, India

Uluberia Unit

NH6, Madhabpur, Post: Uluberia
Howrah – 711303, India

Ahmedabad Unit

Survey No 823

Opposite Rajvi Apartment

Rajoda Village, Pavla, Tal Bavla

District - Ahmedabad, India

Sikandrabad Unit

Plot No - 5,

UPSIDC, Industrial Area

G.T Road No - 91,

Sikandrabad,

Dist - Bulandshahar (U.P.)

Pin – 203206



Telengana Unit

Survey No.296/7/8/9, IDA

Bollaram, Jinnaram,

District – Medak, Telengana - 502325

REGISTRAR & SHARE TRANSFER AGENT

ABS Consultants Private Limited

Stephen House

Room No.99, 6th Floor,

4, BBD Bag (East)

Kolkata – 700001

Phone: +91 33 2220 1043

Fax: +91 33 2243 0153

Email: absconsultant@vsnl.net

At a Glance



Skipper Limited established in 1981 is one of the leading companies in Engineering Product & Polymer Pipe Segment. With over 35 years of domain knowledge, it is among top three in India and among top ten globally in our Engineering Product business. We differentiate our offerings with high quality but cost effective solutions for the Transmission and Distribution Sector. We are also one of the largest and fastest growing Polymer Pipes manufacturing company in India. Our massive distribution network spans across India with more than 1,500 + dealers.

**200,000
MTPA**

ENGINEERING
PRODUCT
CAPACITY

**35,000
MTPA**

INSTALLED CAPACITY
FOR POLYMER PRODUCT
BUSINESS

06

MANUFACTURING
FACILITIES IN INDIA



Products and Services



Engineering Products

- Power Transmission Towers
- Power Distribution Poles (Swaged, High Mast and Octagonal)
- Transmission Line Monopoles
- Mild Steel and High Tensile Angles
- Fasteners
- Tower Accessories



Polymer Products

- UPVC Pipes
- CPVC Pipes
- SWR Pipes
- Agriculture Pipes
- Fittings

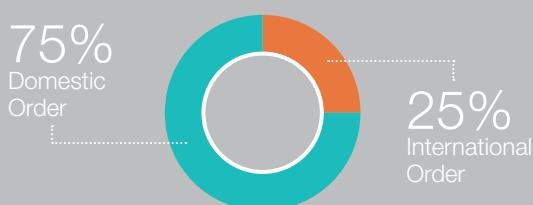


Infrastructure Projects

- Transmission Line EPC
- Underground Utility Laying by HDD (Horizontal Directional Drilling)

Order Book Allocation

FY2016

Order Book Size
₹ 24,288 Million

₹ 13,634 Million

MARKET CAPITALISATION (As on
31st March, 2016)

Market Capitalisation on NSE, at closing price of ₹ 133.25 per share

Revenue Performance in FY2016 (Segment-wise)

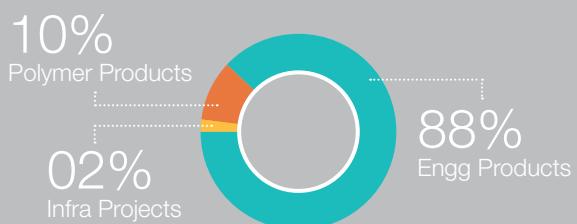
₹ 13,260 Million
ENGINEERING PRODUCTS

₹ 1,525 Million
POLYMER PRODUCTS

₹ 277 Million
INFRASTRUCTURE PROJECTS

Contribution from Businesses

FY2016



Revenue Break-up

FY2016

Net Sales
₹ 14,624 Million

Business Highlights during FY2016

Operational Highlights

- Polymer products manufacturing capacity increased 3X during the year to 35,000 MTPA; Set up 3 PVC manufacturing plant products under the asset light model at Ahmedabad, Guwahati and Sikandrabad.
- Installed one of India's largest galvanizing plant with capacity of 8,000 T/ Month, enabling the Company to manufacture Tower & Monopoles of the highest sizes.
- Executed prestigious and challenging export orders for supply of engineering products to LATAM regions; Share of Exports to total revenue stood at 45%.
- Entered into technological tie-up with SEKISUI of Japan for CPVC "Durastream" compound to produce CPVC pipes of premier quality.
- Polymer products business witnessed significant growth owing to proactive market foray and enhanced scale; Added CPVC into plumbing products basket; Made significant addition in dealer network.

Gaining Capital Market Leadership

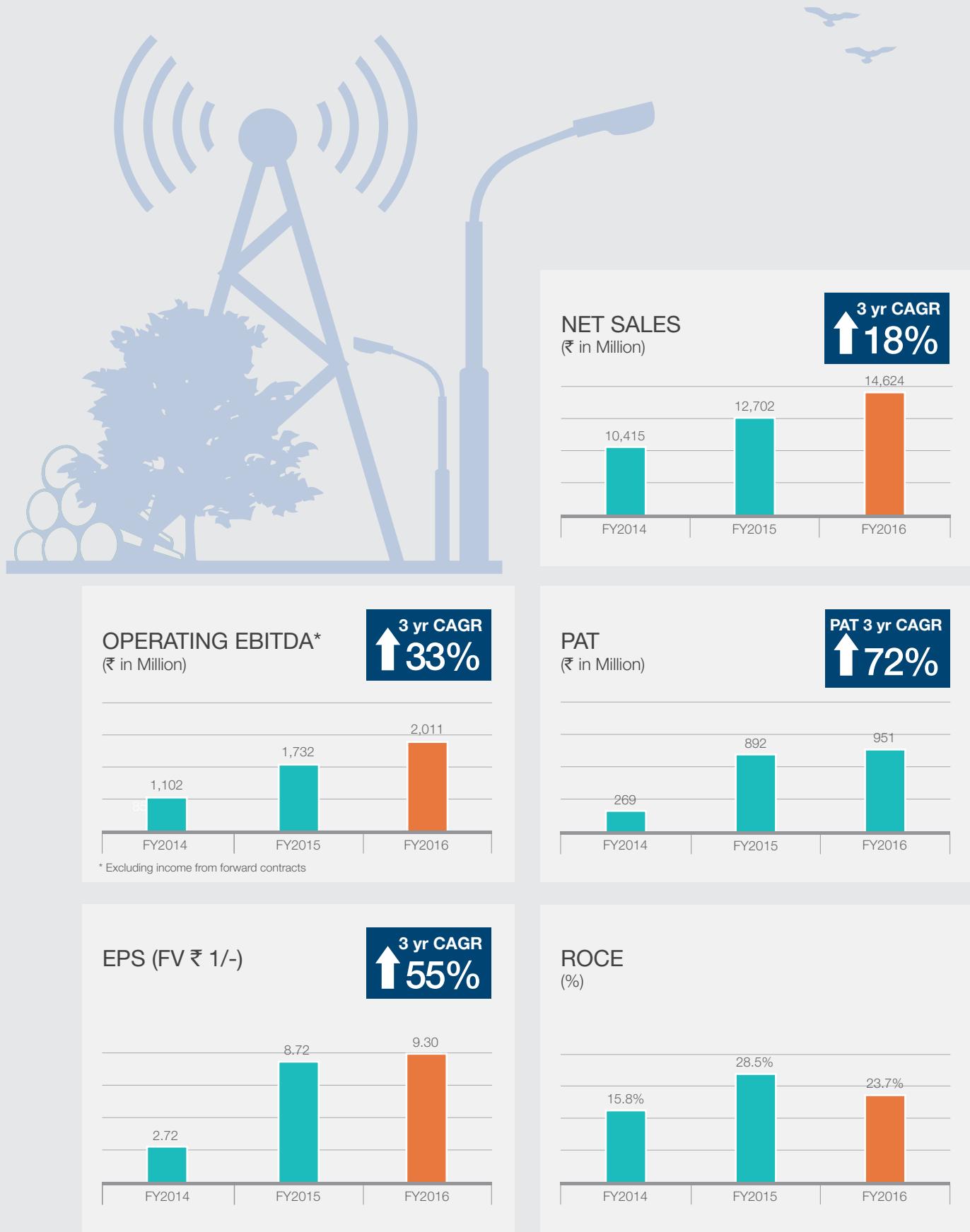
- The Company's external credit rating has been upgraded two notches by CARE from A- to A+ on account of improved operational and financial performance in conjunction with better growth prospects.
- Proud entrant to the NSE elite club of India's Top 500 companies by market capitalisation as on 31st March, 2016.
- No. of shareholders increased from 1,700 in 31st March 2015 to 7,839 in 31st March 2016.

Awards & Recognition

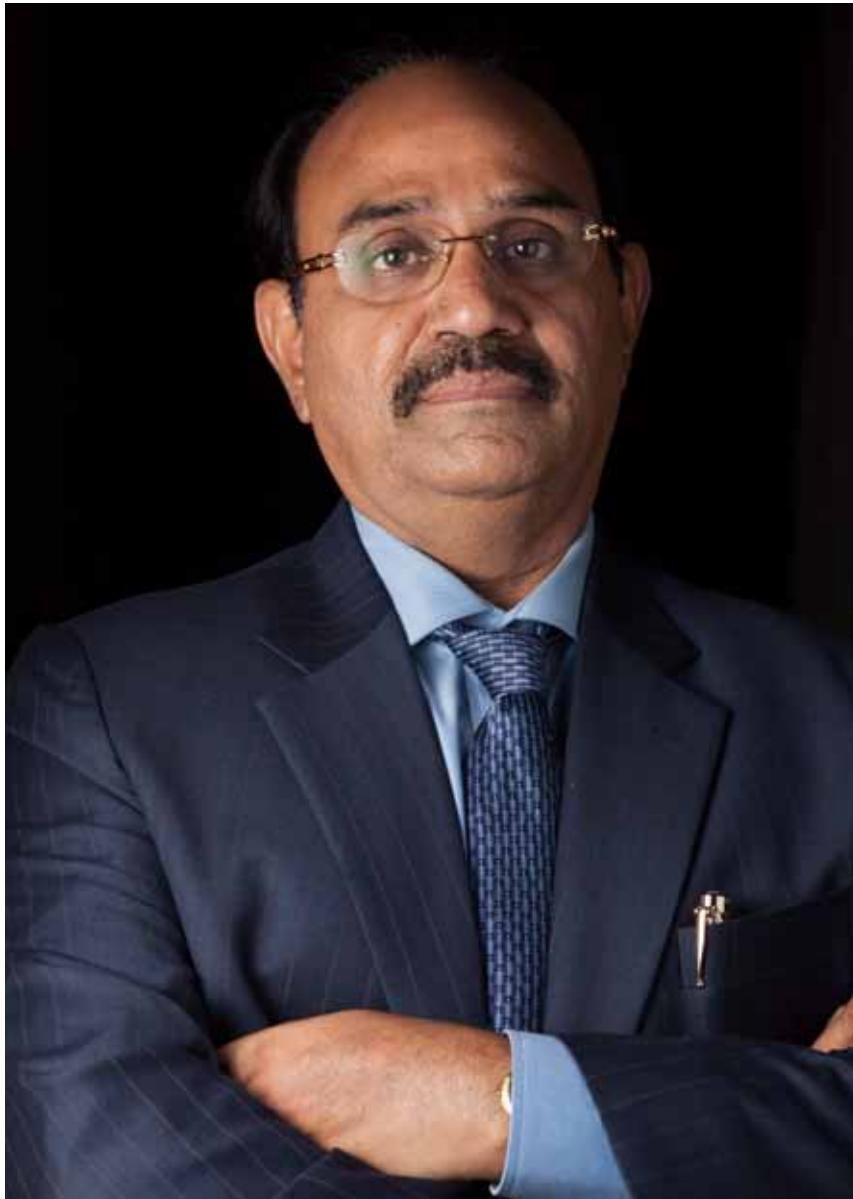
- Won the prestigious "Largest Tower Supplier" award by Power Grid Corporation of India Ltd. (PGCIL) in the Tower Supply category.
- Awarded and recognised as the "Best Industry in Water Resource Sector" in India by Central Board of Irrigation and Power.
- Accorded with coveted status of "Two Star Export House" by the Ministry of Commerce and Industry, Government of India.
- Won the "Star Performer Award 2013-14" from EEPC India in the large enterprise category.



Financial Highlights



Managing Director's Message



Sajan Kumar Bansal
MANAGING DIRECTOR

“ We've always been Steady with our culture and the “Skipper Way”. Now, we can say that Skipper is truly both ready and steady to **Go!**

“Demand for T&D structures is robust due to significant enhancement in T&D spends by Powergrid as well as State Electricity Boards and Private Developers. Transmission projects are required not just for de-bottlenecking but also to evacuate power from new renewable energy projects.

Over three decades of operations has taught us many lessons, but what remains sacrosanct at Skipper is the balance between vision and execution, between dreams and hard work, between financial and human capital. This defines the culture of our Company, which we refer to as the “Skipper Way” of doing things. It is the behaviour of our leadership team and our people, their passion and shared wisdom that defines Skipper. Together, we have created a business constitution, where entrepreneurship can flourish within a corporate environment. Where dreams are embraced, unraveled and turned into realities through diligence, discipline and strong work ethics.

Ready. Steady. Go.

We've never been more **Ready** than we have been now. We are well aligned and ready to meet India's growing need for power and water transmission suffrage. We are also better prepared to deepen our exports to other global emerging markets. We've always been **Steady** with our culture and the “Skipper Way”. Our journey of progress is testimony to our core values and our passion to perform is underpinned by the highest standards of governance. Now, we can say that Skipper is truly both ready and steady to **Go!** Our **Ready** and **Steady** states ensure that we remain well-grounded and are able to tap into the growth opportunities as they present themselves. At Skipper, we are well positioned to capture these opportunities and deliver continuous growth and value creation.

Our Financial Scorecard

In FY2016, our net sales grew by 15.1% to ₹ 14,624 million up from ₹ 12,702 million in the previous year. Operating EBITDA margins increased to 13.8% from 13.6% in FY2015 and net profits grew at 6.7% to ₹ 951 million, compared to ₹ 892 million in FY2015. Standing on the shoulders of our past performance record, these results deliver some of the best growth numbers in the industry: 18% CAGR in Net Sales; 33% CAGR in Operating EBITDA and 72% CAGR in Net Profits for the last 3 years. Our Export revenue growth grew from 5% in FY2015 to 45% in the year under review.

Looking at the current year and the next, we are determined to exceed our growth rate. With a pep in our stride, I am pleased to inform you that the Board has recommended a dividend of 140% for the year ended March 2016, subject to the approval of our shareholders.

Managing Director's Message

100,000 MTPA

PLANNED POLYMER PIPES
TOTAL CAPACITY BY 2018-19

“ We have outperformed in the marketplace through the ‘**outbehavior**’ of our teams across our markets both domestically and globally.

The result of our performance is there for us all to see. We have outperformed in the marketplace through the ‘**outbehavior**’ of our teams across our markets both domestically and globally. A key reason for producing better returns than our industry peers is the fact that we have increasingly been focusing on the Higher Voltage business of 400kV and 765kV. This gives us the opportunity to participate in a higher value-adding segment of our business, which is technologically more challenging and has fewer competitors. Another reason for producing good margins consistently is our manufacturing prowess, that is less permeated by fluctuating raw material prices.

The Way Forward

This year’s annual report showcases our performance as a ~\$200m top-line company with strong and continuously improving EBITDA margins. But for me this heralds the beginning of a new journey, not just a milestone to reflect upon. We are present in the delivery of the two most critical resources that defines economic progress and social wellbeing for India and the world – Power and Water. As expected, our robust vertically integrated business model across electricity and water transmission is unlocking increasingly higher revenues and margins and strong sustainable growth.

Engineering Products

For our engineering products business, there are several reasons for my confidence going forward. The Indian government’s renewed focus on transmission infrastructure investment in India is aggressive and tangible. Demand for T&D structures is robust due to significant enhancement in T&D spends by Powergrid as well as State Electricity Boards and Private Developers. Transmission projects are required not just for de-bottlenecking but also to evacuate power from new renewable energy projects. The

Goverment has laid out a path for financially re-engineering the weak SEBs under the UDAY programme. It has also made concerted efforts and investments in establishing “green” transmission corridors to evacuate a surge in growth in renewable energy. It has made a rural push under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for creating dedicated and separated feeder lines to support agriculture. It has also started allowing foreign investment into inter-regional transmission networks to connect more power surplus states with power deficit states. As an Eastern based tower manufacturing company, we are, of-course, delighted to see the extra investments going into the North East regions to evacuate the increased power capacity that are imminently coming on stream. All these dynamics will spur the demand for our engineering products and services, making India an exciting market for years to come.

We are also outperforming our peers in the target global markets that we are present in. We have established a strong presence in Latin America and new beachheads in other important regions such as the Middle East, South East Asia and African continent. In our quest for growing our exports business, we continue to explore and enter new territories to extend our global footprint. The quadrilateral nexus of South America, Middle East, South East Asia (including India) and Africa shall continue driving our major growth.

Polymer Products

When it comes to our Polymer Products business, we are proud to be an established brand leader, manufacturer and supplier of PVC pipe and fittings within East India. Our prime focus has always been to consistently exceed customer expectations in terms of quality, value, performance and service, which is the *mantra* of our business

**“ I believe
that Skipper is at
the ‘tipping point’
between its
heritage and its
destiny.**

strategy. It has also been to back our market demand with superior manufacturing prowess. During the year, we commissioned three new PVC manufacturing plants in Ahmedabad, Guwahati and Sikandrabad under our asset light model to almost triple our manufacturing size to 35,000 metric tonnes per annum (mtpa). Further, work is in full swing for the new 6,000 mtpa PVC pipe manufacturing unit in Hyderabad and we expect to get it commissioned by the first quarter of the ongoing fiscal. We plan to take the total capacity to 1,00,000 mtpa by 2019, addressing the domestic need for superior quality of PVC pipes and products. This asset light approach (opting for leasing, land and sheds in lieu of owning it) is expected to reduce plant execution time from 24 months to 8-9 months. This also leads to a reduced CAPEX cost approx ₹ 10,000 a tonne against a greenfield expansion cost of ₹ 20,000 per tonne. The presence of only a handful of national brands provides for a significant upside for a financially-strong frontline company like Skipper to swiftly break into segment and create a pan-India presence. 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. Skipper has tied up with Sekisui to bring high quality CPVC products to India. Sekisui is a 6.8 billion dollar company with over 65 years of market knowledge in developing chemical solutions.

With 1,500+ touchpoints and growing, the Skipper brand is well on its way on to becoming a household brand across India. Our scale and presence will make us super competitive in the long term, while we build a brand that is respected on a pan India basis. In the meantime, the Government of India is committed to accord high priority to water conservation and its management. Under Pradhan

Mantri Krishi Sinchayee Yojana (PMKSY), a planned investment exceeding ₹ 50,000 crore over the next five years, is expected to positively impact the PVC pipes and accessories industry, including us.

Paying Homage

We are deeply saddened to announce that our Independent Director, Mr. Shyam Bahadur Singh, passed away on 26th March, 2016. The Company and the Board will deeply miss his brilliance, energy and passion.

Concluding Remarks

I believe that Skipper is at the ‘tipping point’ between its heritage and its destiny. We have earned our rights of passage into the major international arena and our determination and commitment to continue to outperform has never been stronger. Underpinned by years of commitment to each of our markets and now our investment into our manufacturing capacities across multiple products, the stage is set for our next phase of growth as a major global player in the transmission business, and a major Indian player in the pipes business. With a strong order book pipeline exceeding ₹ 24,000 million, and an extensive queue of yet unopened bids, I can confidently look forward to our journey to 2020.

Against the backdrop of a more realistic global and confident Indian economy, I am sure that we have the assets and momentum for an exceptional future. When I review our journey so far and look at the road ahead, our achievements and milestones seem just the preparation for the next chapter in our story.

We are **Ready** and **Steady**; and good to **Go**.

Sajan Kumar Bansal
Managing Director

Our Journey over the Years

1981  <p>Company incorporated and commenced manufacturing Hamilton Poles</p>	1990  <p>Company entered into manufacturing of Telecom Towers & Masts</p>	2001  <p>Set up LPG cylinder manufacturing unit</p>	2003  <p>Set up first Tube mill</p>	2005  <p>Set up first galvanising plant</p>
2009   <p>Received India's first order for 800KV transmission towers from Power Grid Corporation of India Limited (PGCIL)</p>	2010  <p>Commissioned Uluberia unit with first PVC unit and India's first double side Tube GI plant</p>	2013  <p>Crossed revenue of ₹ 10,000 million</p>	 <p>Entered into Alliance agreement with South America's largest TSO for exclusive supply to their transmission projects</p>	2014  <p>Listed on BSE, India's premier stock exchange</p>

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



Listed with NSE, a premiere stock exchange of India



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



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

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

PVC unit got operational at Ahmedabad & Guwahati

2016



Company recorded a gross revenue of ₹ 16,000 million



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

New PVC unit at Sikandrabad got operational

Export revenue rose to 45% of total revenue



Our Markets



SOUTH AMERICA

- Peru
- Colombia
- Chile

AFRICA

- Kenya
- Egypt
- Ghana
- Nigeria
- Zambia
- Sierra Leone
- South Africa
- Guinea

MIDDLE EAST

- Jordan
- Saudi Arabia
- UAE

EUROPE

- UK
- Germany
- Spain

SOUTH AND SOUTH EAST ASIA

- India
- Nepal
- Bangladesh
- Sri Lanka
- Indonesia

AUSTRALIA

Manufacturing Plants



KOLKATA

Engineering Products:

Three state-of-the-art integrated manufacturing plants located at Uluberia and Jangalpur, having total T&D structure making capacity of 200,000 mtpa

Polymer Products:

PVC pipe manufacturing facility at Uluberia with capacity of 15,000 mtpa

AHMEDABAD

PVC pipe making facility setup with 10,000 mtpa, capacity to cater to requirement in western India

SIKANDRABAD

PVC plant with 6,000 mtpa was installed for manufacturing plumbing and agri pipes

GUWAHATI

Facility with 4,000 mtpa capacity of PVC pipes set up primarily to cater to demand of North East market

HYDERABAD

In process of setting up PVC plant with 6,000 mtpa installed capacity of manufacturing plumbing and agri pipes

OUR ENGINEERING PRODUCT BUSINESS:

From being a Domestic Powerhouse to Playing our Part on the Global Stage

The Infrastructure story of India has been of one of strife and tribulation. commendable resolution efforts by Governments and Financial Institutions have been slow to take effect and reflect on the strained balance sheets of many infrastructure companies. In contrast to this backdrop, Skipper has delivered performance numbers in FY2016 which is nothing short of spectacular, given the tough market conditions prevailing in India and globally. In FY2016, net sales for our Engineering Product Business grew by 12.7% to ₹ 13,260 million up from ₹ 11,768 million in the previous year. Standing on the shoulders of our past performance record, these results deliver some of the best growth numbers in the industry.

Morphing from Domestics to Exports

The world over, developing power transmission infrastructure is still the first order of priority for developing nations. Many of these countries, including developed ones, are also setting up substantial renewable generation capacities in remote and distance corners of their countries. New transmission lines are also required for transmitting renewables. These requirements are particularly acute in Latin American and African countries. Due to exports to these countries, we are better placed to leverage the market opportunities.



Driving growth through Exports

“ We have **built up a strong domestic base** and wish to maintain our rate of growth beyond which our domestic market can support. We have instilled **internationally competitive innovation** and wish to boost our turnover and spread our costs. Most importantly, if we wish to be leaders, our customers expect us to operate on an international basis.

Taking advantage of these market conditions over the last three years, Skipper has successfully transformed itself from being predominantly a domestic player, to a company with a significant exports business as its mainstay. This transformation is testimony to our ability to prove our

mettle in new and tough markets that were riddled with challenges of cultural dissonance. Today, Skipper's current order book in the T&D segment stood at ₹ 24,288 Million (as on 31st March, 2016) and it is well diversified across domestic as well as international orders.



OUR ENGINEERING PRODUCT BUSINESS:

Using Soft-Skills and Technology to establish New Growth Drivers

Advancing Pioneer

Monopoles - our Future Growth Driver

Skipper is amongst the largest manufacturers of Lighting and Distribution poles in India, covering the entire range from Swaged to Polygonal Poles with one of the largest galvanising facilities in the country. It is also one of the first company to introduce state-of-the-art Monopoles in India. Monopoles are one of the least intrusive and easiest towers to erect. They are fast becoming one of the most popular structures in the wireless communication and power transmission industries. Adding towers in urban areas has become difficult in recent years as more stringent zoning laws and lack of available land make the process longer

and more expensive. Due to monopoles requiring smaller footprints and being more aesthetically pleasing, wireless carriers and power T&D companies in India are expected to increasingly turn to these structures to deploy in densely populated areas. Skipper stands to take full advantage of its first mover advantage into Monopoles as the demand for it escalates in India.

Design & Engineering:
Skipper has a state of art in house design facility with a strong team of Design Engineers and Draughtsmen 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 & Auto CAD and is equipped to provide computerized engineering solutions, 3D analysis and design. The company has also designed various types of towers ranging from 33kV to 500 kV HVDC and various types of Monopoles. Major achievements include the designing and testing of 500 kV S/C towers for South American Client.

Packing &

Containerization:

At Skipper, containerization is the manifestation of the company's ethos to care till the last mile for its valuable customers. Utmost care is taken to ensure all Tower parts reach the end customer in sturdy sea – worthy packing for ease of handling during

transportation from factory to installation site. All our Plants are geared up to do single tower bundling and factory stuffing of containers for ensuring safe delivery to site. Proper lashing, choking and fumigation are done to ensure international norms of packaging. Services of professional logistic enables best of shipping lines and fast delivery to our international customers. A dedicated fleet of transporters are engaged for transportation of towers to our domestic customers. Our upgraded transportation facility now enables us to transport 500 containers a month, which is the largest in India.

“ The use of knowledge to generate tangible and intangible values is second nature to Skipper. We like to challenge the status-quo to help create new breakthroughs. We are in essence good at combining dreams with details. We are doers, not just thinkers.

Some of our showcase Supply Projects include:

765 KV D/C Nellore Kurnool Transmission Line :

Lead supplier to Nellore Kurnool TL - the longest 300 KM highest voltage 765 kV D/C single transmission package ever awarded by PGCIL. The Project requirement included over 50,000 MT of structures and over 12 different types of towers, overall 30 unique structures.

KV to 500 KV - a large number of them meant to be deployed in extremely harsh mountainous conditions.

800 KV Bipole Biswanath Chariyali - Agra line:

First company in India to successfully complete supplies of 40,000 MT of Transmission Tower to the prestigious 800 KV HVDC Bipole - the first line to use 800 KV structures in India.

500 KV Mantaro-Montalvo Project (Peru) :

Successfully completed engineering activities for Mantaro-Montalvo Project in Peru and P1-Obras Nuevas de Transmission Troncal 1, 2, y3 Decreto 115/2011 Project in Chile. These projects required designing and testing of over 43 critical towers ranging from 220

400 KV Multi Circuit and Double Circuit Punchkula Patiala Project:

Successfully commissioned company's first EPC transmission project - 400 KV Multi-circuit portion of Punchkula Patiala project.



OUR POLYMER PRODUCT BUSINESS:

A Branded and Differentiated Strategy to Quality and Market Leadership

Winning with our Brands

Strategic Alliances

The Company's alliance with Sekisui, a leading Japanese chemicals multinational giant, to produce top-of-the-class CPVC pipes that can be used reliably in both hot and cold applications, is just one product within a full range that places the Skipper Brand amongst the most advanced and premium products in the marketplace.

A Branded Approach to Superior Margins

As a premium brand, we manage to generate higher revenues and operating margins than our peers. What this also means is that we can compete on product differentiators other than price. Additionally, we always have a mindset to prioritise on increasing the revenue over reducing costs. This is not to say that we do not make the most of

our logistical advantages of our plant locations and procurement sources to optimise costs. It simply means that we are not prepared to reduce our costs if it means compromising on our quality. Skipper's brand promise, to be the best-in-class in terms of quality, is ardently protected and practiced in its truest sense. This is what drives the Skipper Brand to be differentiated and move towards market leadership.

One-Stop-Shop PVC Pipes Player

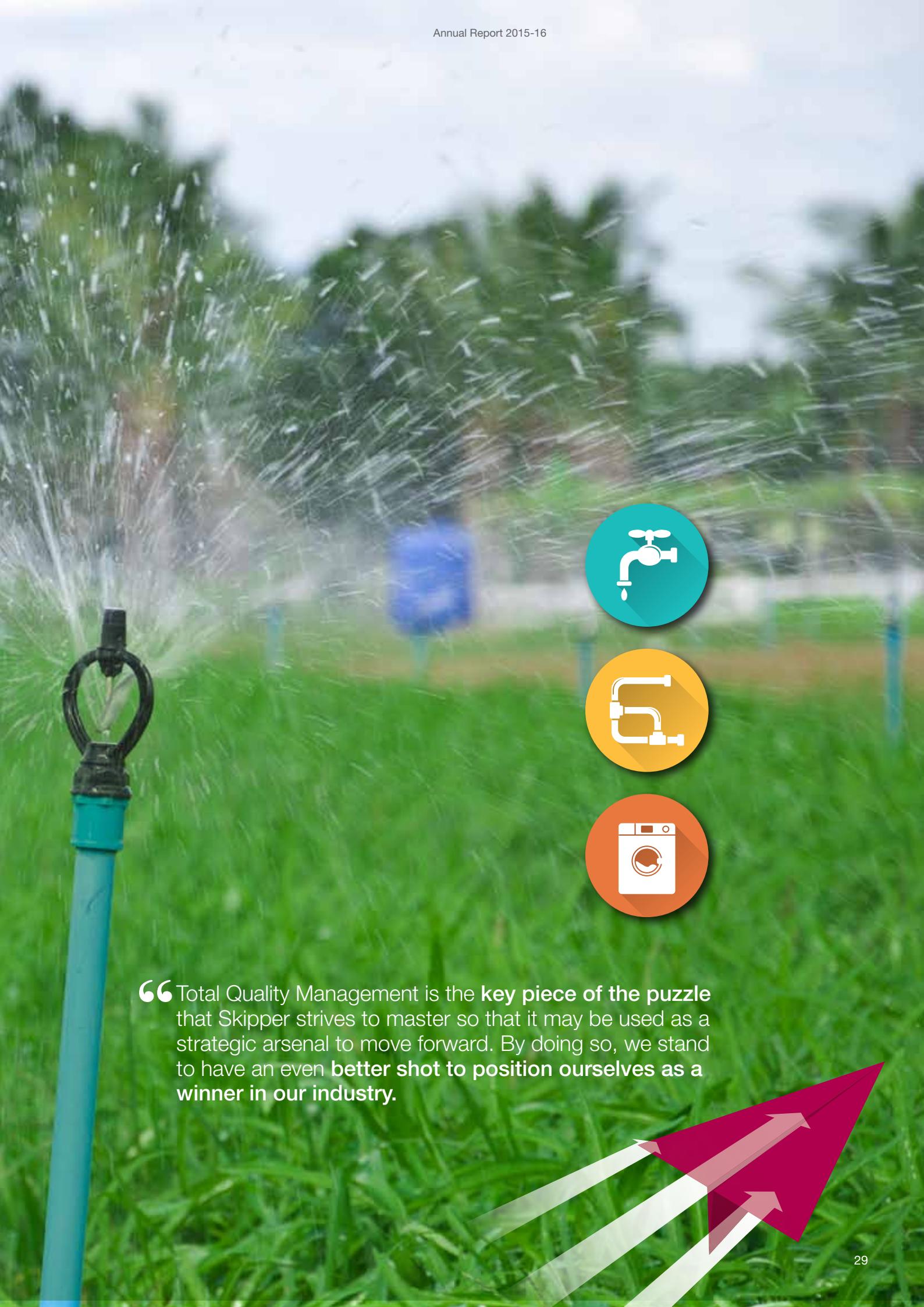
The key peer players in the PVC Pipes business are typically focused on just a couple of business segments. Skipper is amongst the very few PVC Pipes players that has a full product portfolio that allows it to participate in all three markets of the PVC Pipes Business: Water supply (plumbing); Agriculture and

Bore-wells; and Sanitation (sewage and drainage). By being present in these segments, we are able to offer a wider range of goods and services than competition to support and sustain the appeal of our flagship products. We are also able to attract new consumers by aiming at different target markets. This also allows the Company to enjoy the safety of being diversified so that if sales of one product declines, increasing sales of new products could replace it. We are also able to supply a range of fittings that go along with the main product, allows our customers to have trust-worthy solutions from one manufacturer that work seamlessly and reliably.

Heading Towards Pan India Leadership

The Company recognises the vast potential of this business in a country which is at the

cusp of an era characterised by long-term non-stop development. Accordingly, it is investing wisely in being future ready for this demand. During FY2016, Skipper commissioned three new manufacturing plants in Ahmedabad, Guwahati and Sikandrabad under the asset light model, to almost triple its manufacturing size to 35,000 metric tonnes per annum (mtpa). Further, work is in full swing for the new 6,000 mtpa PVC pipe manufacturing unit in Hyderabad which should get commissioned by the first quarter of the ongoing fiscal. Eventually, Skipper plans to take the total capacity to 1,00,000 mtpa by 2019, addressing the need for superior quality of PVC pipes and products on a pan India basis. By 2020, Skipper is set to become a peer brand that is revered and sought after across all markets within India.



“ Total Quality Management is the **key piece of the puzzle** that Skipper strives to master so that it may be used as a strategic arsenal to move forward. By doing so, we stand to have an even **better shot to position ourselves as a winner in our industry.**

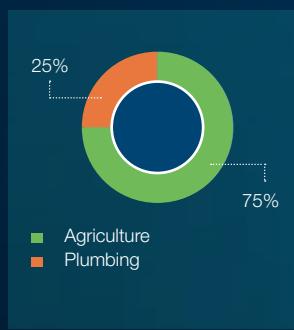


OUR POLYMER PRODUCT BUSINESS:

A Rich Portfolio that is Well Entrenched in India

Participating with Trade, Institutions and Developers

In selling and marketing its Pipes Portfolio, Skipper participates in all three marketing segments, namely Trade, Institutional Sales and Projects.



FY2016
Revenue by Market Segment

Permeating India through Trade

Within the Trade segment, Skipper has an enviable point of sale and access network with more than 1,500 touchpoints, where typically 2-3 distributors cater to dealers and large number of retailers within the state. This network is a crucial tactical infrastructure that supports the Skipper brand, creates awareness and helps permeate Skipper's products into the most interior markets within the vast landscape of India.

A key marketing initiative of the Company is to engage directly with plumbers and farmers to indoctrinate them of the value of the Skipper portfolio and sharing know-how skills in their specific domain areas. During FY2016, the Company touched over 25,000 plumbers across India, under the company's "Skipper Saathi" scheme. To complement this initiative and as part of its Corporate Sustainability Initiatives,

Engaging with our Customers



“Skipper has recently been approved by Sardar Sarovar Narmada Nigam Limited for its ambitious scheme for watering hectares of land over several thousand projects across India.

certification of plumbers was initiated in collaboration with the National Skill Development Council (NSDC).

Going forward, the Company has initiated Digital Marketing campaigns that is proving highly productive in engaging with and informing a community of customers and channel partners that ultimately have a better impression of the Skipper Brand.

The Road ahead

Skipper believes that the key to long term success is to be a strong and well accepted brand in all the

segment of the industry. It is also focussed to build its business over the long term through Projects based contracts. In this endeavour, the Company is engaging directly with Builders, Plumbing Consultants and Architects to indoctrinate the value of Skipper's products and solutions. The Company recognises that this requires hard work and deep patience. In the long run, Skipper's strong brand power will be a key driver for success in this area.

“Our Product Portfolio is designed to have the potential to gain **product advantage and differentiation in the marketplace**. As a late entrant into the PVC Pipes business, we enjoy the late-mover advantages. This means that we can take **advantage of the latest technologies in materials and manufacturing**, assess market potential more accurately and judge customer needs ahead of making investments.

Our Engineering Product Portfolio

We are not just among India's three largest Power Transmission & Distribution (T&D) structure manufacturing companies, but also amongst the top 10 largest manufacturers in terms of manufacturing capacities globally. We have the unique advantage of producing 100% of our prime raw material - Mild Steel & High Tensile Angles in-house. We are an integrated player and a leading exporter of T&D Structures, with export footprint in 20+ countries across South America, Europe, Africa, the Middle East, South East Asia and Australia.

**200,000
MTPA**

ENGINEERING PRODUCT
CAPACITY

20+
COUNTRIES

OUR EXPORT
FOOTPRINTS

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 Tubular Swaged poles, High Mast Poles and Octagonal poles. 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 upto 40 metres for Telecom Tower.

DISTRIBUTION POLES



We manufacture poles from 5 metres to 16 metres (height) that find application in 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 customized 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.

Our Polymer Product Portfolio

Over the last three decades, Skipper has grown exponentially across verticals. From transmission towers, lighting poles, tube mills and galvanising plants, to HDD Projects and PVC Pipes and Fittings, the Company has maintained the same level of quality and commitment across its product portfolio.

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 & plumbing needs.

**35,000
MTPA**

CUMULATIVE PRODUCTION CAPACITY

**100,000
TONNES PER ANNUM**
EXPECTED PRODUCTION CAPACITY
BY FY2019

PLUMBING & 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 upto 92°C.

COLUMN PIPES



BOREWELL

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.

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 fitting and solvent cement.

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 it tough, resilient and durable. Resistant to rust, UV (ultraviolet) radiation, and these pipes ensure a very long life span.

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 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.



Our Manufacturing Facilities



We have three state-of-the art manufacturing plants in Eastern India, two at Jangalpur and one at Uluberia, near Kolkata at West Bengal, with an installed capacity of 200,000 MTPA, in the Engineering Product Division. All of our Engineering manufacturing facilities are located in Eastern India, which enables adequate power and steel availability, cost effective labour and close proximity to ports.

As a growing company chiefly driven by innovation and cutting-edge technology products, our objective is to reach out to as many customers. We are hence expanding our reach, expanding production and increasing market share.

Our Polymer Product Segment has a manufcaturing capacity of 35,000 MTPA. Our national market expansion programme commenced with the first facility in Gujarat, with further facilities coming up in various parts of the country.

Our manufacturing facilities are equipped with state-of-the-art machinery and test equipment to manufacture transformers of varied designs to suit customer requirements. Our new plants are also designed with state-of-the-art manufacturing technology and tailor-made workshop layout for highly efficient production.



Quality Standards & Certifications

Engineering Products - Quality Certification from:

- Bureau of Indian Standards (ISI)
- ISO 9001, ISO 14001, ISO 18001
- Power Grid Corporation of India Limited (PGCIL)
- Ministry of Railways (RDSO)
- Damodar Valley Corporation
- Major State Electricity Boards of India (SEBs)
- Saudi Electric Company
- The Jordanian Electric Power Company Ltd. Amman-Jordan
- RETIE, Colombia
- UKSEPRO

PVC Products conforming to Quality Standard :

- 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

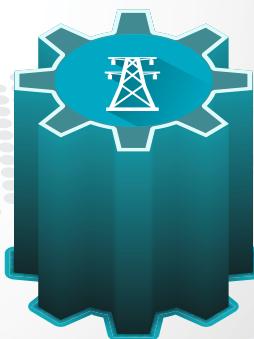
Power Transmission & Distribution Structure Manufacturing

MS & HT Angles

Fabrication and galvanisation of complete towers and poles



220,000
MTPA Capacity



200,000
MTPA Capacity

90% plus volume through direct sales and the balance through EPC

Our Manufacturing Plants for Engineering, PVC Pipes and Fittings Products

Location	Engineering Products *(MTPA)	PVC Pipes & Fittings Products *(MTPA)
Uluberia - Kolkata (WB)	95,000	15,000
Jangalpur Unit 1 - Kolkata (WB)	69,000	-
Jangalpur BCTL - Kolkata (WB)	36,000	-
Ahmedabad	-	10,000
Guwahati	-	4,000
Sikandrabad	-	6,000
Hyderabad*	-	6,000
Total	2,00,000	41,000

* Expected to commence manufacturing from 1st quarter of FY2016-17

Board of Directors

PROMOTER DIRECTORS



Mr. Sajan Kumar Bansal
MANAGING DIRECTOR

He 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 Plastics.



Mr. Sharan Bansal
DIRECTOR

He 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.



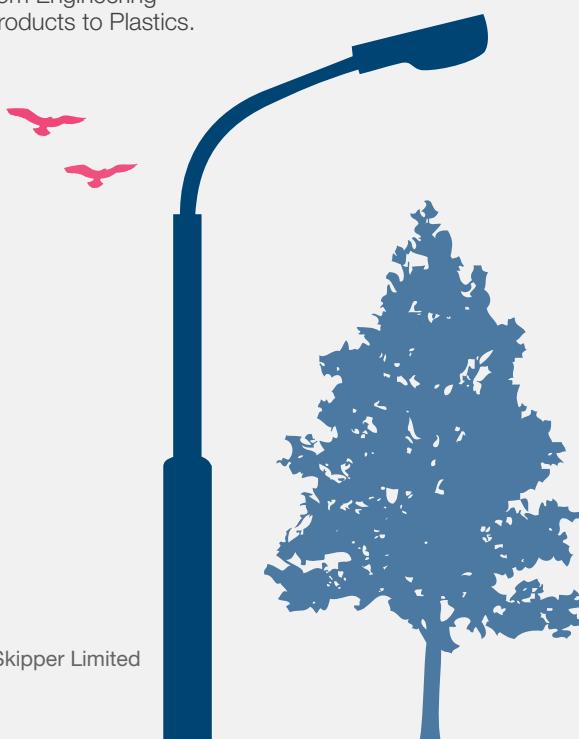
Mr. Devesh Bansal
DIRECTOR

He 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.



Mr. Siddharth Bansal
DIRECTOR

After completing 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 divisions.





INDEPENDENT DIRECTORS



**Amit Kiran Deb
IAS (Retd.) CHAIRMAN**

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.



**Joginder Pal Dua
EX CMD - ALLAHABAD BANK**

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.



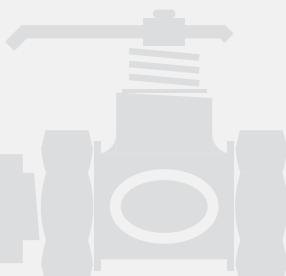
**Manindra Nath Banerjee
IAS (Retd.)**

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.



**Mamta Binani
PRESIDENT-ICSI**

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 currently holds the prestigious position of President of ICSI. She has more than 17 years of experience in corporate consultation & advisory.



Management Discussion & Analysis



“India is set to become the fastest growing major economy in 2016-17 ahead of China, at a time when global growth is facing increasing downside risks placing India in a sweet spot in the global economic landscape.

All data and figures pertaining to global and Indian economy has been sourced from International Monetary Fund, World Bank, Reserve Bank of India and Central Statistical Organisation.

Disclaimer:
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, FY2016.

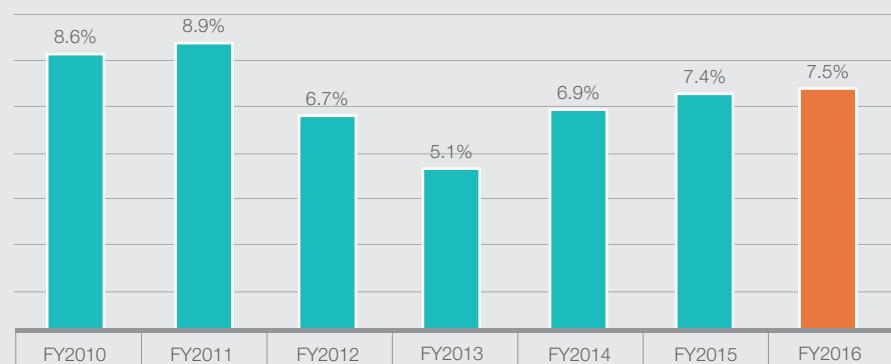
ECONOMY OVERVIEW

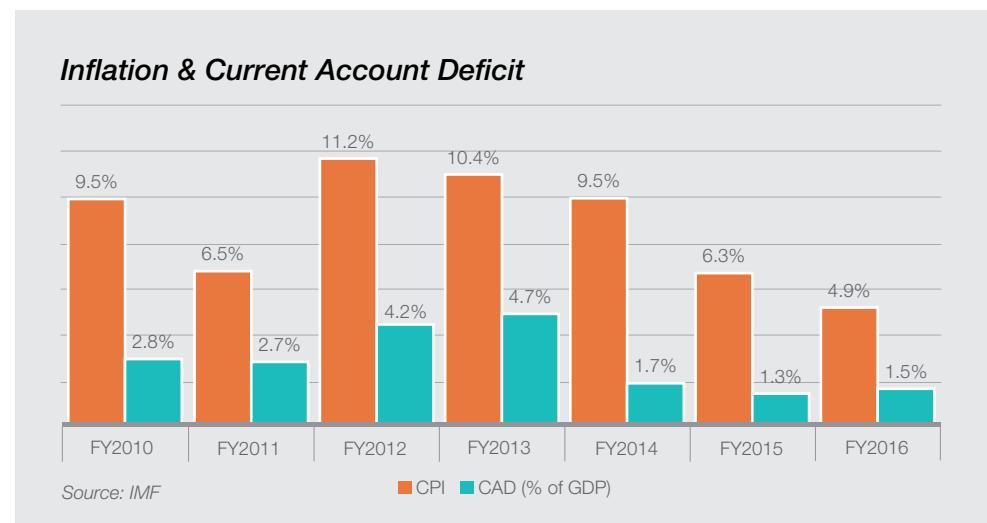
INDIAN ECONOMY

The Indian economy went through an extremely challenging phase in FY2013 and FY2014, as the country struggled with a slowdown in the economy, policy inaction under the earlier regimes, double-digit inflation and an unsupportive external environment. The already difficult situation was made worse as the Indian economy was rendered vulnerable by the widening twin deficits – current account deficit and fiscal deficit and dwindling

foreign exchange reserves (\$47 billion in March 2014). However, the Indian economy turned a corner in 2014-15 with revival of growth, as India grew by 7.4% in FY2015 as compared to 5.1% in FY2013 and 6.9% in FY2014. FY2015 also witnessed a change in political leadership with the biggest landslide margin in three decades, heralding a new era for Asia's third-biggest economy.

India GDP growth rate (%)





One of the most important steps taken by the Modi government is opening up India for international business, including opening of sectors such as railways and defence which have helped draw record foreign direct investment (FDI) in 2015.



The recently concluded financial year began with a lot of promise, with expectations that the newly elected government would take concrete steps to reboot the economy, stamp out corruption and lure foreign investment by streamlining the country's complex regulatory regime. It has ended up by being a mixed-bag as Prime Minister Narendra Modi's reform ambitions are far from realised as he approaches its second anniversary in office. But there were significant developments on the plus side, as India continued its growth charge as GDP growth strengthened to 7.6% in FY2016 versus 7.4% in FY2015. Inflation further softened to ~5.0% in FY2016 (4.83% in March-16) from 6.8% in FY2015 and 9.5% in FY2014. The moderation in inflation was driven by falling commodity prices. Slumping oil prices and fiscal discipline followed by the Indian Government has helped in shoring up of fiscal and current account deficits. One of the most important steps taken by the Modi government is opening up India for international business, including opening of sectors such as railways and defence which have helped draw record foreign direct investment (FDI) in 2015. Those inflows have helped lift foreign exchange reserves by \$47 billion since the end of March 2014 to \$350 billion at the end of December.

However, on the downside, FY2016 witnessed slow growth in the global economy, a second successive drought

year and an inability of the government to pass through important reforms such as GST and the Land Bill. Slow global economic growth has led to a decline in exports. In fact, Indian exports have been contracting for 15 consecutive months. Failed monsoons have compounded stress in the rural economy leading to lower consumption growth and rising NPAs for financiers in rural areas.

The outlook for next year FY2017 is much more encouraging as per the data from the International Monetary Fund (IMF), with economic growth expected to sustain above 7.5% levels. This would make India the fastest growing major economy in 2016-17 ahead of China, at a time when global growth is facing increasing downside risks placing India in a sweet spot in the global economic landscape.

GLOBAL ECONOMY

The world economy has passed through yet another difficult year. The growth in advanced economies has stagnated, while that in emerging and the developing world has decelerated leading to a slow global growth of 3.1% in 2015. The US economy continues to grow below potential with GDP growth falling to 1.4% in Q4 2015 and 1.9% for the whole year. The Euro Area expanded at 1.6% in 2015 again driven mainly by private consumption. However, economic growth in the region has remained unchanged at 1.6% in the last three quarters. The

With the country's generation capacity addition progressing well, a corresponding increase in Transmission capacity is needed to ensure that power generated reaches the end consumer. India's Power Transmission networks constitute the vital arteries of the entire power value chain.



disappointing situation persists in 2016 with underperformance of the service sector in the Eurozone and UK and weak overseas demand taking a toll on German factory orders.

Japan continues to stutter with economic contraction of -1.1% in the last quarter of 2015 (0.5% for 2015) despite active intervention of the Government. This in turn has pressured the monetary authorities to adopt the negative interest rates in January this year.

Meanwhile, growth in emerging market economies has remained tepid in 2015 at 4% with Brazil and Russia decelerating more than expected amidst sluggish growth in China. The recent firming up of commodity prices will support commodity exporting emerging economies, but domestic constraints and weak external demand may put downward pressure on growth dynamics.

Global trade witnessed a sub-3% growth in 2015 for the fourth consecutive year with emerging and developing countries suffering more than the advanced economies. Going forward, the trade figures will remain sluggish in 2016 with moderate import demand from developed world. Meanwhile, slowdown in China, increase in financial volatility and adverse exchange rate movements of more vulnerable countries with large foreign debts may put downward pressure on trade dynamics. On inflation front, divergent trends are visible with accelerating consumer prices in EMEs and declining prices in advanced countries.

As far as financial volatility is concerned, role of emerging markets has increased with enhanced spillovers from emerging markets to the global equity prices and currency developments recently. The good thing is that after witnessing a turbulent beginning in 2016, market sentiment has revived considerably in the recent months.

INDUSTRY OVERVIEW

A. POWER TRANSMISSION INDIA

Overview

Over the past decades, the total power capacity has witnessed commendable growth, with more than 298 GW of generation capacity currently installed in India, as on 31st March, 2016. The Government has set 1,18,537 MW power generation capacity addition target for the 12th Plan period ending 2016-17, which is well on target to be achieved, according to the Ministry of Power. While 88,537 MW is supposed to come from conventional sources, renewables are estimated to contribute the remaining.

With the country's generation capacity addition progressing well, a corresponding increase in Transmission capacity is needed to ensure that power generated reaches the end consumer. India's Power Transmission networks constitute the vital arteries of the entire power value chain. The growth of power sector is contingent to development of a robust and a non collapsible transmission network. The Government also plans to construct 1,07,440 circuit kilometres (ckm) of transmission lines and set up 2,82,740 MVA transformation capacity during the same 12th Plan period.

Industry Features

Despite having more than 298 GW of installed generation capacity in 2016, India continues to be power deficit. One of the major reasons for this situation is the inadequate transmission capacity, not matching the generation capacities and load requirements. Power evacuation is turning out to be a bigger problem than power generation for the country. According to FICCI reports, plants supplying electricity to state electricity boards (SEBs) under long term power purchase agreements (PPA) lose more than 2 billion units of generation due to transmission capacity bottlenecks. Based on the current supply position, Northern-



North Eastern-Eastern-Western (National Grid) region is surplus of total regional demand during peak hours; while, the Southern region faces shortages. However, the power transmission constraints do not allow for the Southern grid's shortfall to be met by the surplus in the national grid.

Going forward, the demand side capacity is expected to further increase with the industry moving towards Open Access. Open access is expected to allow every end-user of electricity in the country to choose from all available transmission lines, thereby increasing transmission load across the country. If India's transmission capacity is not timely augmented, these problems are expected to be further aggravated.

Growth Drivers

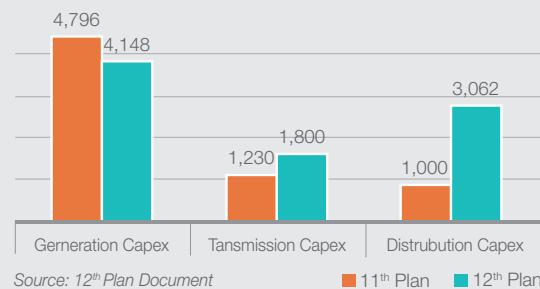
The overall shortage of power varies from state to state depending upon the demand and supply of power. The reasons for demand-supply gap include transmission and distribution constraints, less hydro generation and poor financial health of state utilities. Some of India's power surplus regions do not have adequate power evacuation infrastructure which could alleviate the recurring supply shortages in other parts of the nation.

The overall shortage of power varies from state to state depending upon the demand and supply of power. The reasons for demand-supply gap include transmission and distribution constraints, less hydro generation and poor financial health of state utilities.

The total power generation capacity installed in India on 31st March, 2016 was 298 GW, of which renewable energy projects represent just over 14% at 43 GW capacity. The renewable energy sector in India registered impressive growth in the financial year 2015–16, which ended March 31st, 2016. The Ministry of New and Renewable Energy recently reported that India added 6,937 MW of grid-connected renewable energy capacity during FY2015–16. This is one-and-a-half times more than the target of 4,460 MW set at the start of the financial year. Not surprisingly, the integration of renewable energy is another key

focus area for transmission planners. At the end of the last financial year, grid-connected wind energy capacity in India stood at 26.7 GW, representing a share of 62.5% of the total grid-connected renewable energy capacity installed in the country. Grid-connected solar power capacity additions were more than twice the target. Against the target capacity addition of 1.4 GW, just over 3 GW of grid-connected solar power capacity was added in India. This was the largest solar power capacity addition in a financial year. With the Government's ambitious plans to install 100 GW of solar power capacity by 2022 and 10 GW of wind power every year, evacuation of this power will be a challenge. Realising this, the central transmission utility, Power Grid Corporation of India (PGCIL), is developing nine high capacity green transmission corridors.

12th Plan capital expenditure in the power sector (vis-a-vis the 11th plan) (₹ in bn)



Source: 12th Plan Document

The Government has also announced a Desert Power Plan, which outlines the transmission capacity needed to evacuate solar and wind power from the desert regions of India by 2050.

India is planning to construct several cross-border interconnections with its neighbouring countries to boost power trade. These links are part of the country's larger plan of creating an integrated SAARC power market. Four new interconnections – one each with Bhutan and Sri Lanka and two with Nepal – are either under way or at the planning stage.

Skipper is already among the top three largest transmission-tower manufacturers in India and a preferred manufacturer of choice for its customers pan India, from Jammu & Kashmir to Tamil Nadu and from North East India to Gujarat.



According to the Ministry of Power, it is estimated that during 13th Plan Period, about 62,800 circuit kilometers (ckm) of transmission lines, 15,000 MW of HVDC terminal capacity and 1,28,000 MVA of transformation capacity of the 400 kV and above voltage level transmission systems would be required.

The changing requirements of the transmission system are driving technology developments in the area. High performance conductors (HPCs) are already being used, while R&D is being carried out on superconducting cables. Towers are being designed to lower RoW requirements. FACTS and HVDC transmission technologies are offering increased flexibility in meeting transmission challenges. It is estimated that in excess of ₹ 2 lakh crore has to be invested into transmission capacity building.

India Opportunity

In India, to bridge the gap between generation capacity and transmission infrastructure, Anand Rathi's Report on "India Power Transmission" estimates a planned investment of \$75 billion in the next 5-7 years and ₹ 1 trillion of transmission projects to come up for bidding in the next 12-18 months. In addition, the green energy corridor (₹ 430 billion), feeder separation (₹ 1 trillion) and smart cities will be strong demand drivers. Skipper is already among the top three largest transmission-tower manufacturer in India and a preferred manufacturer of choice for its customers pan India, from Jammu & Kashmir to Tamil Nadu and from North East India to Gujarat. The strong domestic demand and Skipper's inherent advantage due to its logistics and integrated operations gives it the opportunity to participate and win orders in the fastest growing markets within India.

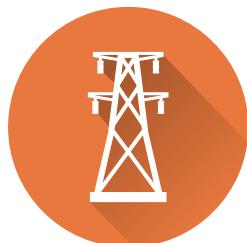
Power Grid Corporation of India Limited (PGCIL) has incurred capex of ₹ 65,000 crore since March, 2012. Going forward, PGCIL has an objective to award projects worth nearly ₹ 22,500 crore in each FY16E and FY17E, and projects in excess of ₹ 25,000 crore in FY18E. Of the total capex that PGCIL has lined up over FY16-FY18E, the opportunity size for transmission towers is expected to be around ₹ 28,000 crore (40% of the total capex). This could provide a big opportunity for players such as Skipper.

Renewed Focus on Transmission Investment

Power-evacuation constraints and high T&D losses have attracted the attention of policy-makers for more investment in transmission infrastructure to match the investment in power generation. The outlook for the transmission sector for the next 5-7 years is bright. According to Anand Rathi Research, India's transmission network capacity has been lagging power-generation capacity. To counter this, dedicated efforts are being made by the government to improve India's transmission networks. According to the 12th Five-Year Plan (FY13-FY17), investment required in power transmission is about ₹ 1,800 billion, of which about ₹ 1,000 billion is planned to come from the Power Grid and ₹ 550 billion from states. The remaining ₹ 250 billion is expected to come from private operators. The government's renewed interest has been shown in its willingness to make up the shortfall in transmission capacity. With the government announcing projects worth ₹ 260 billion through tariff-based competitive bidding (TBCB) in FY2016, several IPPs, PSUs and Utilities may capture a larger share in the Indian transmission arena. This would provide new product and service opportunities for companies such as Skipper.

Financial Re-engineering of SEBs under UDAY

The financial health of State Electricity Boards has been a significant impediment to the progress of the power sector as a whole. To root out this malaise, the Ministry of Power recently introduced a debt restructuring plan called Ujjwal Discom Assurance Yojna (UDAY). UDAY provides an enabling environment and assures the rise of vibrant and efficient state discoms through a permanent resolution of past as well as potential future issues of the sector. UDAY empowers discoms with the opportunity to break even in the next few years. This essentially implies that unlike previous bailout schemes, this time, the States will be responsible for any discom losses. The States will need to accept the scheme through a tripartite



Increased Government's thrust on infrastructure development, rising demand from construction sector, expansion in the housing sector and an increased demand for agricultural production, will drive the market growth in the coming years.

agreement between the power ministry, State Governments and discoms as part of a bailout plan and work towards reduction of AT&C losses and thereby making them financially viable. Based on case studies, one can expect a radical improvement in operational performance and service levels of discoms, through augmentation of network (HVDS, LTABC, DT level metering), introduction of state-of-art technologies (SCADA, DMS, GIS, AMI, AMR), operational initiatives and social interventions such as aggressive enforcement and corporate social responsibility. As more and more SEBs improve their financial health, the interflows and transactions between the Gencos, Transcos and Discoms will also improve. This will further enlarge the market demand for the goods and services made by companies such as Skipper.

Agriculture Feeder Separation DDUGJY

The Indian Government has announced a feeder-separation scheme named Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) with an initial allocation of ₹ 5 billion. This has been launched to augment power supply to rural areas and to strengthen sub-transmission and distribution systems by separating electricity feeders for domestic and agriculture consumption. The proposed investment would benefit companies across the entire power ecosystem—those that manufacture electric conductors, transformers, insulators, poles, towers and capacitors—in addition to construction contractors. The above scheme is part of a ₹ 1.1 trillion comprehensive power-infrastructure up-gradation across India through two schemes: DDUGJY for rural India and an integrated power development scheme (IPDS) for urban India.

Green Corridors

The ‘green-energy corridor’ is a term used for power-evacuation infrastructure specially designed and constructed for evacuation of power generated by renewable sources (mainly wind and solar). With the government’s ambitious plans to install 100 GW of solar power

capacity by 2022 and 10 GW of wind power every year, evacuation of this would require vast investment on T&D infrastructure. For this purpose the Power Grid Corp has been assigned the task of developing nine high capacity green transmission corridors. It has announced a Desert Power Plan 2050, a plan to evacuate solar power from the deserts of Gujarat and Rajasthan. It has been assigned the task of constructing transmission lines and pooling substations for solar parks in seven states.

Inter-regional Transmission Investments

With its abundant natural resources, India has massive potential to generate electricity. However, since these resources are unevenly dispersed and concentrated in a few pockets, it is imperative to efficiently transfer the electricity generated to the point of consumption. However, transmission congestion has turned out to be a serious problem in recent times. It occurs when demand for transmission capacity far exceeds the available transmission capability. The power-transmission constraints do not allow for the Southern grid’s shortfall to be met by the surplus in the national grid. Power-generating states such as Chhattisgarh are also unable to evacuate excess power. A major factor that has aggravated the issue of congestion is the increase in power-generation capacity, primarily due to the spurt in renewable energy and the de-licensing of generation. With the transmission infrastructure unable to keep up with the pace of power generation, the country has been divided into two segments: the power-surplus north and north-east and the south, plagued with a power deficit. This has led to unsold capacity in some regions, pushing down market prices and resulting in lower plant-load factors. Power Grid Corporation of India, a “navratna” company, operating under the Ministry of Power has taken several transmission augmentation strategies under their plan. While there have been several PPPs and JVs in this sector, in order to give this sector a much-needed

The Government announced programmes worth ₹ 98,000 crore for building the next generation infrastructure such as 100 smart cities and urban transformation.



boost, the Government is now inviting foreign investment.

Transmission Infrastructure Thrust in North East India

Transmission and distribution losses in North-East India is one of the highest in the world. While in Arunachal Pradesh, T&D losses are as high as 50%, in Assam and Tripura it is 29% and 28% respectively. One of the reasons for high T&D losses is the long 11kV/ 33kV transmission lines and insufficient investment sub-stations. Upgradation of distribution lines is also needed because there are many power projects which are on the verge of completion in this region. Approximately 4,350 MW of generation capacity across seven power projects is on the anvil in the north eastern region. According to a KPMG/FICCI report on North East India, November 2015, a large number of hydropower generating stations are expected to start functioning in the north-eastern region, during the 12th and 13th plan period. These could be a major source of power to the states and create substantial surplus power which will need to be evacuated. Apart from the large transmission capacity to evacuate power from the region, an adequate system strengthening could be required within the North-Eastern Region (NER) to help ensure that the North-East is able to benefit from the increased capacity. Therefore, PGCIL is focussing on the transmission development in the NER states with added vigour. Some of the major projects undertaken in this specific areas are as follows:

- Rangia/Rowta Pooling Station- Azara 400kV D/c line (high capacity)
- Azara-Byrnihat 400kV D/c line (high capacity)
- Byrnihat-Silchar 400kV D/c line (high capacity)
- Silchar-Surajmaninagar 400kV D/c line (high capacity)
- Surajmaninagar-Melriat 400kV D/c line (high capacity)
- Melriat-Imphal 400kV D/c line (high capacity)
- Imphal-Kohima 400kV D/c line (high capacity)

- Kohima-Mariani 400kV D/c line (high capacity)
- Mariani-Silapathar Pooling Station 400kV D/c line (high capacity)

As North-East India is made up of challenging terrain and logistical issues, transmission tower companies with local presence and understanding of this market will have an upper hand in terms of costs and execution risks.

Smart Grids are the Future of Efficient Systems

Smart-grid technology is essentially an umbrella term covering the modernisation of the transmission and distribution grids. Smart grid infrastructure serves utilities and consumers by leveraging information technology to bring advanced communications to a previously “dumb” network. By putting a greater emphasis on information retrieval, aggregation, reporting and analysis that goes “both ways” between companies and consumers, the potential to save on energy and modify energy consumption behaviour can benefit everyone. It involves processes such as distribution automation, asset management, demand-side management, demand responses, distributed energy management and advanced metering infrastructure that would transform the present infrastructure on to a single, integrated, robust and scalable platform. Smart grid technologies and innovations occur at — and can affect — any and all steps of the electricity ecosystem, including transmission infrastructure operators and manufacturers.

B. POWER TRANSMISSION GLOBAL

Overview

Power is a scarce commodity and a large part of the globe still faces shortage of power. With rapid urbanisation and industrialisation, the demand for power is growing day by day necessitating substantial investments in Power Generation and Transmission & Distribution infrastructure. Despite several

improvements in power infrastructure, around 17% of the world population is still without access to electricity. Global transmission towers market has grown historically and is set for a strong growth in the future as well. According to the report "Global Transmission Tower Market" by Research and Markets, the Global Transmission Tower market is

expected to grow at a CAGR of 7.9% from 2010 to 2020 taking the revenues from \$7,271 million in 2010 to \$15,526 million in 2020. Globally, emphasis on grid integration, migration to higher voltages, enhanced focus on clean and green energy, signifies that the power sector is transforming and evolving towards a healthy outlook the world over.

Industry Features

Global T&D investment through 2015-16

	Global	Africa	North America	Middle East	Asia Pacific
Installed capacity (GW, 2013)	5,445	123	1,309	205	2,152
Expected installed capacity (GW, 2013)	7,103	241	1,299	288	3,216
Transmission line length (km, 2013)	3,927,990	138,668	747,176	137,384	1,819,096
Exp. transmission line length (km, 2020)	4,973,568	203,897	814,969	162,533	2,541,741
Exp. investment in transmission (\$ bn)	1,000	37.5	134	38.7	566

Source: Anand Rathi Research



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

The growth is mainly driven by growing demand in the markets of emerging economies in the Asia Pacific region and the need 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 and green energy, signify that the power sector is transforming and evolving towards a healthy outlook the world over.

Latin America Opportunity

The Company is participating in the emerging South American Economies such as Peru, Chile and Colombia. Each of these countries have experienced a structural change in the past three decades and are currently growing at healthy GDP rates with relatively controlled inflation and positive macro-economic conditions. These economies have undergone a process of modernisation, which has translated into increased employment in their respective primary industrial areas. Domestic demand has been the main driver of growth as an overall improvement in confidence in these economies have boosted domestic consumption and

1**Swacch Bharat Abhiyan**

The PM's 'Swachh Bharat Mission' or 'Clean India Campaign' is the country's biggest drive to improve sanitation and cleanliness, with 1.25 billion already participating.

2**Smart Cities**

The Smart Cities Mission is harnessing technology as a means to create smart outcomes for citizens. Under the Smart Cities mission, 100 cities have been shortlisted to first receive funds and kickstart the process of developing them into smart cities.

investment. The combination of economic modernisation, natural resource abundance and continued improvements in economic governance and political stability that have been taking place, are helping these countries to emerge as one of the most stable economies in Latin America. This in turn is calling for rapid infrastructure modernisation such as in power, water, roads and public transportation. Furthermore, due to the healthy financial conditions of their utilities and strong ROEs for such infrastructure projects, private capital is more readily available from global investors. This bodes well for companies such as Skipper Limited that participate in these markets.

C. PVC PIPES & FITTINGS FOR WATER TRANSMISSION

Overview

The future growth of India PVC pipes and fittings market is expected to be led by rapidly increasing population leading to increased demand for agricultural production, expanding housing sector and significant role played by the Government in the development of irrigation infrastructure and real estate sector in the country. Increased Government's thrust on infrastructure development, rising demand from construction sector, expansion in the housing sector and an increased demand for agricultural production, will drive the market growth in the coming years. Besides these organic drivers, there are some key proactive drivers that will drive this business. Most significantly, the Government has announced massive investment plans in the water transmission & distribution (T&D) space. Its thrust on water, irrigation, sanitation and urbanisation, the PVC pipes and fittings market is expected to accelerate the pace of growth. The Government announced programmes worth ₹ 98,000 crore for building the next generation infrastructure such as 100 smart cities and urban transformation. The growth in modern high-rise buildings and large township projects are also fuelling the demand for advanced

high quality plumbing solutions. The Government's focus on infrastructure, irrigation and farm productivity are also important growth drivers.

Industry Features

The Indian PVC pipes and fittings industry, which comprises of segments such as RPVC, PVC and CPVC pipes and fittings, has grown significantly over the last few years due to the increase in the demand from irrigation and housing sector. PVC pipes will gradually replace conventional piping systems in the market due to their lower cost and higher durability. CPVC pipes are expected to register fastest growth in terms of the production capacity in the next five years from FY2014-FY2019.

The rising acceptance of CPVC pipes over galvanised or PVC pipes will lead to the growth in the future. The organised segment of the market is predicted to grow at a faster rate in the coming years with shifting preferences towards branded and quality products being witnessed in the domestic market. The implementation of GST will enable gaining of further momentum in the organised market.

The PVC pipes and fittings industry in India is highly fragmented. The market revenues have grown at a CAGR of 12.5% from FY2009-FY2014. The overall PVC market is largely concentrated between 4-5 major players in the organised sector. There is a general shift towards the organised sector taking place for a wide range of building materials, including water pipes.

Pradhan Mantri Krishi Sinchayee Yojana (PMKSY)

Government of India is committed to accord high priority to water conservation and its management. To this effect Pradhan Mantri Krishi Sinchayee Yojana (PMKSY) has been formulated with the vision of extending the coverage of irrigation 'Har Khet ko Pani' and improving water use efficiency 'More crop per drop' in a focused manner with end to end solution on source creation, distribution, management, field application and extension activities. The

3

Housing for All
Under the “Housing for All” by 2022 scheme, the GoI will be constructing 2.95 crore houses in rural areas, and spend nearly ₹ 81,975 crore over construction of one crore houses in the first three years.

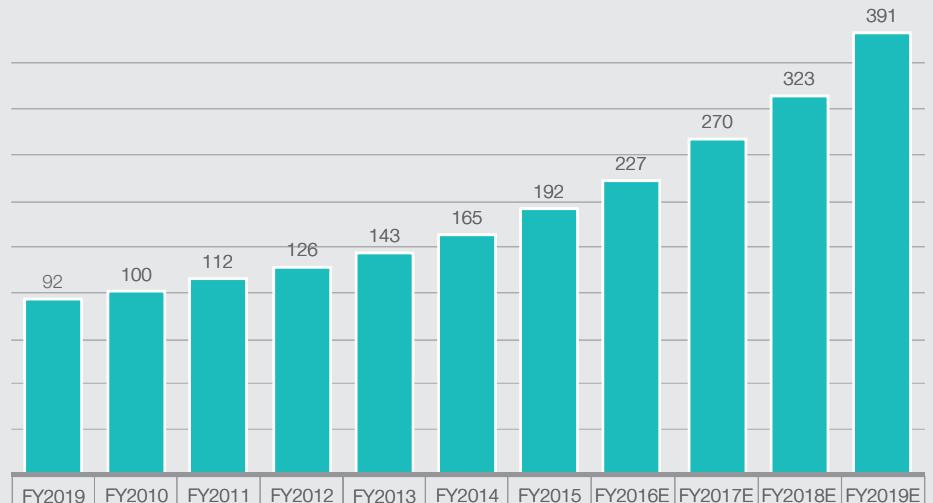
programmes, which would be brought under one roof, are the accelerated irrigation benefit programme of the ministry of water resources, integrated watershed management programme of the ministry of rural development and land resources, and the farm water management component of the national mission on sustainable agriculture of the department of agriculture. PMKSY has been approved for implementation across the country with an outlay of ₹ 50,000 crore in five years. For 2015-16, an outlay of ₹ 5300 crore has been made. Such large scale investment over the long term is expected to positively impact the PVC pipes and accessories industry.

India Opportunity

According to Ken Research, India’s PVC pipes and fittings market is expected to grow at a double digit CAGR over the period FY2014-FY2019 and is projected to reach ₹ 391 billion by FY2019.

As a relatively new entrant into this segment compared to its peers, Skipper has established itself as a branded market leader in the eastern and north-eastern markets within just five years. With rapidly expanding capacities to cover every major region of India, Skipper is expected to quickly emerge as a leading branded player in this market on a pan India basis. With a strong focus on research and development; expanding its manufacturing plants; new high quality products and its widening distribution reach, Skipper is well positioned to compete well and win a solid share of the market in the years to come.

India PVC and Fittings Market - Future Revenue Projections (₹ in Bn)



ABOUT SKIPPER

Skipper Limited is part of the Kolkata-based S. K. Bansal group that was established in 1961 by Mr. Sadhu Ram Bansal. Founded in 1981, the Company has become a prominent operator in manufacturing tubular poles, towers (telecoms and transmission) and PVC

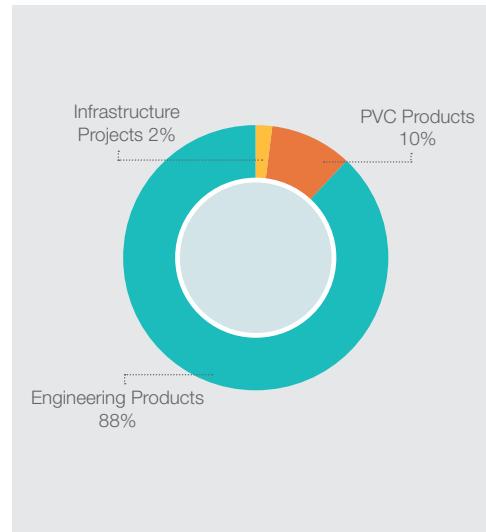
pipes. It supplies PVC pipes mostly in East India through a strong dealer network and is striving to become an all-India player. It exports infrastructure and engineering products to Australia and countries in Africa, Middle East, South Asia, South America and Europe. The Company is present in two of India's high-





growth businesses blessed with both potential catch-up and new demand—Transmission products (Engineering and Infrastructure) and PVC water pipes.

Skipper Limited is also a highly integrated company. It manufactures a wide range of inter-related, quality managed value-added products, starting from raw materials, to manufacturing and finally installation - the Company takes care of the entire process chain. Skipper serves as a “one-stop solution” providing clients advanced value added solutions that are optimally designed and meticulously executed.



Our Product Range

Engineering Products	Polymer Products	Infrastructure Projects
<ul style="list-style-type: none"> • Power Transmission Towers • Power Distribution Poles (Swaged, High Mast and Octagonal) • Transmission Line Monopoles • Mild Steel and High Tensile Angles • Fasteners • Tower Accessories 	<ul style="list-style-type: none"> • UPVC Pipes • CPVC Pipes • SWR Pipes • Agriculture Pipes • Fittings 	<ul style="list-style-type: none"> • Transmission Line EPC • Underground Utility Laying by HDD (Horizontal Directional Drilling)





Skipper Limited is also a completely integrated company. It manufactures a wide range of inter-related, quality managed value-added products, starting from raw materials, to manufacturing and finally installation - the Company takes care of the entire process chain.

A. TRANSMISSION TOWER BUSINESS

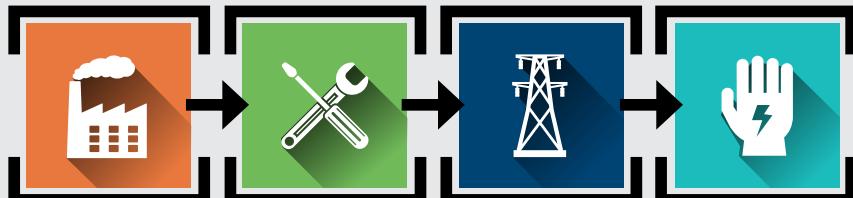
Business Profile

Skipper Limited has emerged as India's only company of its size, focusing mainly on transmission tower manufacturing, rather than EPC. The Company has three state-of-the art manufacturing plants in Eastern India, two at Jangalpur and one at Uluberia, all near Kolkata, with an installed capacity of 200,000 MTPA.

The Company has accomplished many notable achievements through its history.

Firstly, it was the first company in India to manufacture and supply 800 KV transmission towers to PGCIL. It is also now one of the lowest cost producer of transmission tower in the world. It ranks among the world's leading transmission tower manufacturer and is recognised among the Top 3 players in India. It is now present across multiple business sub-segments, including Towers, Tubular Poles, Monopoles and EPC. It boasts having complete control over the value chain from angles to tower production to fasteners to EPC with a high degree of performance.

Integrated end-to-end Solutions



Steel billets and bloom Manufacture MS & HT Angles Design & Manufacture complete tower EPC Project

Skipper is now present across multiple business sub-segments, including Towers, Tubular Poles and Monopoles.

MS & HT angles

220,000 MTPA capacity

95% of volumes consumed in-house, rest sold

Fabrication and galvanization of complete towers and poles

200,000 MTPA capacity
90% plus volume through direct sales and the balance through EPC



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.

Key Business Model Features

- Skipper's current order book in the T&D segment stands at ₹ 24,288 Million (as on 31st March, 2016) and

is well diversified between domestic as well as international orders

- Power Grid Corporation of India Limited (PGCIL) is our largest customer with more than 50% of our total order book
- Rising share of export – now constituting 45% of our total net sales
- Focusing mainly on 400 kV lines and higher, well as international orders
- Changing order book towards higher Voltage

Performance Review

The Transmission Business recorded a healthy 12.7% growth crossing ₹ 13,260 Million in top line revenues.

B. PVC WATER PIPES BUSINESS

Business Profile

Skipper is an established brand leader, manufacturer and supplier of PVC pipe



and fittings. With one of the largest capacities in eastern India, the Company is the largest PVC pipes manufacturer in West Bengal. It has strong product portfolio which includes the following products:

- UPVC Lead-Free Plumbing Pipes
- CPVC by Durastream hot and cold Pipes and Fittings
- SWR Magik Flow Pipes and Fittings
- Agricultural Pipes & Fittings
- Borewell and Irrigation Pipes and Fittings

In a short span of just 5 years, it has established a cumulative production capacity of 35,000 MTPA. The Company has a technological tie-up with Sekisui of Japan for the key raw material CPVC compound from which it manufactures the highest quality products in the market. This partnership positions the Company nicely within the premium brand segment with a highly differentiated product line. Over time, these value added products are expected to increase the blended margins of this business.

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. The Company's 10% market share in the highly fragmented eastern market shows its expertise and ability to scale up its business to the entire country in the next 2-3 years. With a widespread distributorship of over 1,500+ channels and growing, the Skipper brand is well on its way on to becoming a household brand. At present, the Company has four operational plants totalling 35,000 mtpa. Further a new PVC plant at Hyderabad with a capacity of 6,000 mtpa is expected to get commissioned by Q1 of FY2017, taking the total manufacturing capacity to 41,000 mtpa.

Performance Review

Skipper's PVC products business is a high growth segment and has been growing at a fast clip of 50% over the past few years. For FY2016, this business recorded a healthy 70% YOY growth in

FY2016, crossing ₹ 1,525 million in top line revenues. This segment constituted 10% of the Company's total revenue in FY2016. Of this, 75% came from agriculture and 25% came from plumbing sector.

C. INFRASTRUCTURE DIVISION

Business Profile

Skipper focuses on executing small ticket EPC projects. The Company has been slowly improving its bidding capacity by executing relatively small EPC projects with an average size of ₹ 40-50 crore over the past few years. It has successfully commissioned its first transmission EPC project - 'Multi-circuit portion of 400 kV D/C Punchkula Patiala project'. Although, the management wants to remain focussed on the tower supply business versus the EPC business, the higher bidding capacity in the EPC segment gives Skipper an opportunity in the future to bid for specific projects that offer higher margins.

The Company is also engaged in Horizontal Directional Drilling (HDD) which facilitates the faster installation of underground utilities, eliminating the need for surface excavation. Skipper Limited pioneered trench-less technology service in India and provides Trench-less horizontal drilling for the installation of Telecoms cable networks, HT/LT Power cable networks, Water & Sewerage pipelines, oil and gas pipelines etc. among others. Using state-of-the-art equipment, we have accomplished successful projects across India.

Performance Review

The Infrastructure Division recorded a revenue of ₹ 277 million, constituting 2% of the company's total overall revenue in FY2016.

THE SKIPPER ADVANTAGE

1. POLYMER DIVISION - A FUTURE GROWTH DRIVER

The Company is building an exponential growth driver within its PVC product

business, generating 70% more business in FY2016 than in FY2015. With substantial capacity additions planned over the next 2-3 years, from 35,000 mtpa to 100,000 mtpa by FY2019, Skipper will now aim to be leader in the water infrastructure space. Over the years, the share of revenue from the PVC products division has steadily been rising. From 4% in FY2011, it has grown to 10% in FY2016. This division is expected to grow exponentially in the next 3-5 years following the commissioning of its various additional plants.

2. ASSET-LIGHT STRATEGY FOR IMPROVING RETURNS

For its PVC capacity addition, 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, we expect this model to help generate better returns on investments for the Company.

This performance is expected on the following grounds:

- The asset-light model for capacity growth would require just ₹ 8,000 - ₹ 10,000 a ton of capex, as compared to ₹ 20,000 in an "owned-asset" model.
- The high cash-flow from engineering products would provide enough cash for the PVC product expansion.
- The focus on manufacturing would require only maintenance capex.

3. READY FOR LARGE-CAPACITY-TOWER ORDERS

With 200,000 mtpa capacity, the Company has the scale and experience to implement large T&D orders. As among the top three largest transmission-tower manufacturer in India, Skipper's main business is in manufacturing engineering products (mainly transmission towers and distribution poles). In FY2016, these accounted for nearly 88% of the Company's revenue. The Company has 10-15% market share in the country of manufacturing Transmission Tower.



Our constant endeavor is to enhance the quality of our human resource capital. We achieve this by engaging our employees in a series of training programs. These are aimed towards improving their skillsets through programs on Quality Control, Safety Awareness, Induction and overall maintenance.

4. LOCATION AND INTEGRATED OPERATIONS FOR BETTER MARGINS

With facilities integrated and plants located in the east, the Company enjoys a 300-400 basis point margin advantage due to lower employee and logistics costs than other industry operators. The engineering products division has three plants at Howrah (WB). These advantages gives it the edge on the following fronts:

- **Lower cost of raw-material transportation:** The major raw material (bills) is procured from SAIL's Durgapur plant, less than 150 kms away. This results in transportation costs of ₹ 450-500 a tonne, against the industry average of ₹ 2,000- ₹ 2,500 per tonne.
- **Integrated Operations:** The Company is one of the world's largest and completely integrated manufacturing company. It is into a wide range of inter-related, quality managed value-added products, starting from raw materials, to manufacturing and finally installation. It covers the entire process chain and serves as a one-stop solution where clients can place their trust on Skipper to deliver turn-key solutions. More than 80% of the value addition that takes place between basic raw materials to the conversion of the final finished and installed products, is captured within the Company's manufacturing roofs.
- **Close Acesses to Ports:** The Company's plant is located in close proximity to the ports in Kolkata and Haldia. Due to this it enjoys a significant logistic advantage on the export front.
- **Stronger EBITDA:** This has resulted in a 300-400 basis point better EBITDA margin, as compared to the Company's peers.

5. STRONG ORDER BOOK

Skipper order book in the T&D segment stood at ₹ 24,288 million (as on 31st March 2016) and it is well diversified between domestic and exports. PGCL constitutes a majority portion (51%) of the



Skipper already has an installed capacity of 15,000 MTPA for monopoles and is one of the three companies in India producing them. Monopoles are extensively being used for new telecom capacities and 4G network expansion.

Total order book while the rest is shared between exports (25%), domestic SEB and private transmission operators (24%). This deep pipeline of orders gives the Company strong growth visibility over the next 2-3 years. Furthermore there are unopen bids worth ₹ 12,000 million for which results are awaited. Skipper expects to convert a majority of them.

6. MONOPOLES - A NEW GROWTH DRIVER

Monopoles are self-supporting tubular structures that carry transmission lines from 11 kVA to 400 kVA. Monopoles are the only solution for setting up transmission lines in a crowded urban setting as they require less aerial and low ground consumption. Skipper already has an installed capacity of 15,000 MTPA for monopoles and is one of the three companies in India producing them. Monopoles are extensively being used for new telecom capacities and 4G network expansion. In the past, Skipper has been providing monopoles to Reliance Jio and other telecom players. Recently, PGCIL and SEBs have also started using monopoles for experiential lines and if further traction is witnessed in monopoles, Skipper can raise its capacity for monopoles to 40,000 MTPA from 15,000 MTPA from its existing units in West Bengal. Margins from monopoles are higher than 20% and additional revenues from this segment will aid profitability.

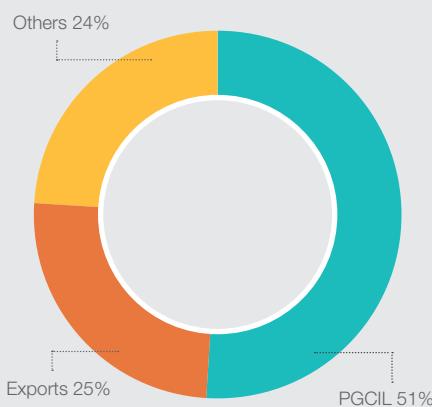
7. STRONG BRAND & MARKET REACH

Skipper's size, scale and high quality standards make it the preferred supply partner to Global Utilities and EPC Contractors around the world. In India, its market reach spans the length and breadth of the country with products being supplied all the way up to Jammu and Kashmir, Tamil Nadu, Maharashtra and North East India. The Company has a large distribution network across India, making Skipper one of the most well - recognised brands in the country.

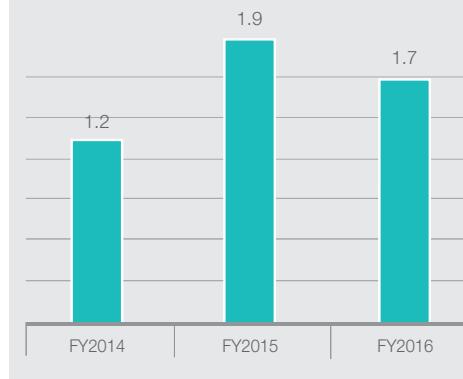
HUMAN RESOURCES

At Skipper, Human Resource plays an instrumental role in securing the

Order Mix (%)



Order Size to Net Sales



Company's future success. In doing so, the function is guided by its long-term vision of working in partnership to create an environment where employees can thrive and are enabled to deliver sustainable organisational performance. Employees are our most strategic assets – our key to success.

Our constant endeavour is to enhance the quality of our human resource capital. We achieve this by engaging our employees in a series of training programs. These are aimed towards improving their skillsets through programs on Quality Control, Safety Awareness, Induction and overall maintenance.



Global Presence

Our products are exported to:

- **South America:** Peru, Colombia, Chile
- **Europe:** UK, Germany, Spain
- **Africa:** Kenya, Egypt, Ghana, Nigeria, Zambia, Sierra Leone, Guinea, South Africa
- **Middle East:** Jordan, Saudi Arabia, UAE
- **South and South-East Asia:** Nepal, Bangladesh, Sri Lanka, Indonesia
- **Australia**

TRAINING SESSIONS HELD BY HR TEAM IN FY2016:

(a) Inspection and Quality Control Process

Focused on quality control processes, inspection activities, testing processes of material and standards. Participants were taught to handle customer complaints and provided effective remedial advice.

(b) General Safety Awareness

Covered different aspects pertaining to safety such as workplace safety, use of personal protective equipment and material handling. The program also included rolling mills staff.

(c) Induction

Encompassed facilitation of interaction amongst new employees, providing brief about company and its products and key personnel.

(d) Technical Aspects of Electrical Maintenance

Focused on technical aspects of electrical maintenance such as drive, panel, gear and machine operation. To also aid technical skill development of employees.

(e) Product Training

Representative of M/S SKF Product & Services delivered a speech regarding different types of bearing and its technical aspects. Training informed participants on new technological advancements.

(f) General Safety Awareness

Program conducted for contract labour of Tower Department Staff and for Mast Department Staff.

(g) Habitual Absenteeism

Highlighted ill effects of habitual absenteeism and resultant financial loss to Hydra drivers.

(h) Housekeeping & 5S

Focused on housekeeping and its benefits; Highlighted importance of the Japanese "5S" technology.

(i) Technical Aspect of 132 KV Line

A WBPGL engineer shared his technical experience pertaining to different technical aspects of 132kv transmission line and substation.

(j) Quality Circle

Focused on concept of quality circle, formation, process of implementation in plant and solving of small problems through 7 QC tools.

Our constant endeavor is to enhance the quality of our human resource capital. We achieve this by engaging our employees in a series of training programs.



- (k) Testing of MS Tube & MS Socket**
Highlighted importance of testing of MS Tube & MS Socket by maintaining ISO systems.
- (l) Technical Aspect of Electrical Parts**
Introduced purpose of new switch gear system in plant area. Also focused on issues pertaining to panel.
- (m) NDT Training**
Emphasised on technological advancements in the area of quality testing of different metal items as per the NDT certification and standards.
- (n) Havells (Lafert - AEG Technology) LV Motors**
Focused on enhancing knowledge base of the electrical and purchase department staff.
- (o) General Safety Awareness**
Training was conducted for general shop floor employees and PVC Department staff.
- (p) First Aid & Basic Medical Training**
Created general awareness pertaining to basic medical functions and teaches how to handle first-aid in case of minor accidents.
- (q) Electrical Safety Awareness**
Held specifically for the electrical department staffs.
- (r) Technical Training- Electrical**
Focused on product training during introduction of a new product.
- (s) Extrusion Operation**
Focused on proper utilisation of time, with new technological advancement of the extrusion process.
- (t) PVC Pipes Manufacturing Process**
Focused on manufacture of PVC Pipes.
- (u) Solid Waste Management**
Training on the concept of solid waste, its elements, waste hierarchy, process and segregation and its benefits.
- (v) Awareness Training on Carbon Mono-Oxide Gas**
Training was held majorly for PGP staff to create Carbon Mono-Oxide Gas.
- (w) Problem Solving & Skills**
Development-Mech. Maintenance Focused on resolving day-to-day problems in work field and sharing experiences about preventive maintenance.
- (x) Overview on Galvanising Chemicals**
Focused on providing employees an overview on galvanising chemicals and their use.

INFORMATION TECHNOLOGY

At Skipper Limited, resident intellectual capital is the main driving force. Automated systems, integrated IT platforms and the access to real-time data enables smooth and seamless processes and delivery schedules. We run SAP across our company and also have a focused ERP for Tower production. Our information technology wing captures information exhaustively on a real-time basis. Every commercial transaction including Purchase, Production, Inventory Control, Sales and Invoicing is carried out on various ERP platforms and diligently induced into everyday processes.

The Company also uses IP based remote CCTV system and video conferencing between plant locations to ensure minimum physical movement of manpower. Our IT-enabled systems help in gathering more authentic and readily available data which further helps in faster decision-making and swifter response to our vendors and customers. It also reduces wastage and helps avoid dependence on manpower and in lowering of employee cost. Being an IT-enabled company, we have eliminated the usage of paper, making us a socially responsible corporate.

IT-enabled systems help in gathering more authentic and readily available data which further helps in faster decision-making and swifter response to our vendors and customers.



NEW IT-RELATED FEATURES:

- Nas on all locations for data protection
- Face recognition attendance for all locations
- Antivirus Security Console Server on all locations for virus and spam blocking
- Back-up leased line on all locations for uninterrupted Internet service
- MPLS VPN Newark for secure internal computing
- Firewall on all locations for protection against outside hacking and spam
- Hosted Secure Mail Service for secure mailing
- Group Policy on all locations for centralised control
- Online UPS on all locations for uninterrupted working
- Surveillance cameras on all locations
- MAC bind of laptops to protect external access on network
- Computer controlled CNC machines

FINANCIAL PERFORMANCE OVERVIEW

(Figures in million)

#	Profit & Loss Summary	FY2016	FY2015	Change % YOY
1	Net Sales	14,623.5	12,702.3	15.1%
2	Operating EBITDA	2,011.1	1,731.5	16.1%
	% of Sales	13.8%	13.6%	
3	Depreciation	241.2	219.9	
4	Interest Expenses	570.0	582.6	
5	Other Income including Interest Income	51.7	16.6	
6	Operating Profit Before Tax (2-3-4+5)	1,251.6	945.6	32.4%
	% of Net Sales	8.6%	7.4%	
7	Income from Forward Contracts	181.4	420.1	
8	Profit Before Tax (6+7)	1,433.0	1365.7	4.9%
9	Tax Expense	481.7	474.0	
10	Profit After Tax (8-9)	951.3	891.7	6.7%

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

- Our reported Net Sales, Profit Before Tax and Net Profit were the highest in the company's history.
- Net sales for the company increased to ₹ 14,624 million as against ₹ 12,702 million in the previous year, up by 15.1%, falling commodity prices restricted value growth.
- Export share in total revenue increased to 45% on back of company's strategy to strengthen its business presence in the overseas market.

- **Operating EBITDA** (excluding Income from Forward Contracts) increased to ₹ 2,011 million as against ₹ 1,732 million in the previous year, up by 16.1%.
- **Operating EBITDA** margins improved to 13.8% of net sales as against 13.6% in the previous year.
- **Profit Before Tax** increased to ₹ 1,433 million as against ₹ 1,366 million in the previous year, up by 4.9%.
- **Profit After Tax** increased to ₹ 951 million as against ₹ 892 million in the previous year, up by 6.7%.

INTERNAL CONTROL

The Company has sufficient and commensurate internal control systems to match the size and the sector it falls under. The Company has well-defined and clearly laid-out policies, processes and systems. These are strictly and regularly monitored by the top management and any digression or discrepancy is immediately flagged off and corrected. All requisite regulations, rules and laws of the land are strictly followed. 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. The Company also has a regular internal audit process that is monitored and reviewed by the Audit Committee, which ensures that any deviations from set benchmarks are immediately reported and corrected. The Company regularly keeps upgrading its systems and processes to ensure these are up-to-date and the latest.

RISKS & CONCERNs

Your Company is having a risk management policy for identification and assessment of risks which is monitored by the risk management 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 factor which may be tackled by the prompt action from the management. However, risks imposed by the external factors are not in the control of the Company and the same are identified as per the directive given by risk management policy of the Company. Necessary precautionary measures are taken by the Company to negate the impact of probable risk.

BUSINESS RISK

The business risk is in general the risk imposed by the competition from the competitors. The Company has achieved such a milestone that the risk of competition is very rare. 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 transmission and distribution business as well as plumbing related products. 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 plumbing products related company. And sometimes, the Company is also construed as a full-time 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 impact of this risk is to some extent minimised with the escalation clause in majority of domestic orders. 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 various credit facilities used by it. The change in rate of interest may be both favourable as well as unfavourable

With a proven track record, we believe that Skipper would be a key beneficiary of the strong bidding pipelines of PGCIL.

to the Company. The Company has availed credit facilities from various bankers and as a result the Company is in a better position to make negotiation with the bankers and take the benefit of competitive rate of interest.

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. Although management expects this kind of co-operation from the bankers, but things may go otherwise too for which the Management is very much concerned.

MARKET RISK

The Company is supplier in both domestic and international market. The market risk may originate either way be it global impact or government policy or due to competition from other players in the market. Due to backward integration the Company is in a position to provide the products of better quality at competitive prices, which to a great extent minimises the market risk due to Competition. In addition various promotional schemes initiated by the Company result in increase of market share for the products of the Company. The Company in present scenario has established such a place in the market that the possibility of market risk is remote.

EXCHANGE FLUCTUATION RISK

The risk of Foreign exchange fluctuation can impact the Company as it is engaged in procuring various materials and machines from the overseas as well as the Company exports its products to foreign countries. This is a matter of great concern for the Company. The Company has taken efforts to negate the impact of this risk by following the hedging of forex exposure.

OUTLOOK

A sizeable order book, huge opportunity size and diversification into the PVC business firmly place the company on a higher growth trajectory. On the back of proven expertise in the transmission sector and robust order book, the Company expects its revenues to grow by 20-25% and deliver consistent margins over the next couple of years. In addition, Skipper enjoys a better margin profile and one of the best return ratios in the industry.

With a proven track record, we believe that Skipper would be a key beneficiary of the strong bidding pipelines of PGCIL, state transmission utilities (STUs) and BOOT transmission developers. The Company has a strong order book, supported by diversified businesses as well as rising exports and domestic market. The Company expects the momentum to further increase over FY16-FY18E on the back of a robust PGCIL bidding pipeline and export opportunities arising from TSOs in Africa, Latin America and other markets that the Company is pursuing.

CORPORATE SOCIAL RESPONSIBILITY



Skipper Foundation is an initiative of Skipper Limited committed to Corporate Social Responsibility. The community-related initiatives of the Foundation span across the key areas of education and healthcare. At Skipper, we believe that growth and sustainability of the organisation focuses on creating value in the long-term for the society as a whole.

For implementing the CSR activities, the Company accords preference to the needy communities in the local areas around its business operations, preferably within a proximity of 10-20 kms of its manufacturing plants and offices. Our conscious endeavour is to serve the socio-economically backward, the under-privileged and the marginalised communities. We achieve this by striking a fine balance between the CSR projects having a strategic business connect. We also leverage the Company's core strengths and competencies and that of its ecosystem. We also aim to address the pressing needs of the local communities that may not have a business connect.

OUR KEY INITIATIVES:

HEALTH

Skipper Foundation initiated several activities to increase the Health Index of the villages in proximity of the plants. Initiatives such as providing of safe drinking water and health check-up camps were undertaken.

Initiatives:

- Eye Camps conducted in Madhabpur and Kulgachia areas which treated hundreds of patients
- Borewells were reconstructed and connected the areas through pipes to make water available to residents of Kashyabpur village
- Two Tube Wells were constructed in the Andul Panchayat for villagers
- Blood Donation Camps were organised in association with Bansbera Recreation Club
- Physical activities were promoted amongst children by being a part of Kulgachia Gramin Mela
- Relief materials were provided to rain-affected villages



Eye Check Up Camp



Blood Donation Camp



Tube well installation for access to drinking water



Book Distribution in Schools

EDUCATION

Several initiatives were adopted and implemented on the education front, such as **distribution of books, improvement in infrastructure and facilities in schools**. These were aimed at allowing better access to quality education, and enabling extra-curricular activities for holistic development of students and teachers.

Initiatives:

- Sponsored teachers for Mahishrekha Junior School
- Provided a Computer Teacher for Kulgachia Netaji Balika Vidyamandir
- Distributed books for girl students at Netaji Balika Vidyalaya
- Provided electricity all-year through for Nimna Buniyadi Vidyalaya & Junior School, Mahishrekha
- Celebrated Annual Sports Day
- Distributed books through Tulsiberia Mahila RG

Our CSR implementing partners :

- **Friends of Tribal Society** – Friends of Tribal Society (FTS), a non-government, voluntary organization is committed to the upliftment of tribal and other deprived in rural India, by providing basic education to their children and giving the villagers health care, development and empowerment education. It believes that literacy is the key to progress. FTS was established in 1989 at Kolkata and has 27 chapters all over India.
- **Kalyan Bharti Trust** – Established in the year 2001, this school is a unique endeavour to recreate the ancient Gurukul tradition of India. The school, nestled in the lap of nature, provides an enriching atmosphere where children are encouraged to develop both their physical and intellectual faculties.
- **Sankara Netralaya** – A world-class eye care hospital in Kolkata offering super specialty ophthalmic care.
- **Burra Bazar Library** – A library in Burra Bazar (Kolkata) that helps underprivileged students access books for their knowledge .
- **Marwari Relief Society** - Marwari Relief Society Charitable Hospital in Burrabazar is a leading provider of Hospitals, Clinics & Diagnostics in Kolkata that provides economical medical assistance for poor and middle class
- **Calcutta Pinjrapole Society** – a bigger prototype of the village Gaushala. For this purpose a Gaushala was built on a land acquired in Sodepur suburb of Calcutta. This foundation was initiated by the Marwari businessmen from Rajasthan . Their prime moto was the welfare of the Cows as they considered it to be holy and sacred.

Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 35th Annual Report of your Company together with the Audited Financial Statements for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

Particulars	Financial Year	
	2015-16	(₹ in million) 2014-15
Net Income	15113.89	13,144.53
Profit before Finance Cost, Depreciation and Taxation	2244.15	2,168.17
Finance Cost	570.04	582.57
Depreciation	241.15	219.92
Profit before Taxation	1432.96	1,365.68
Provision for Taxation	481.66	473.97
Profit after Taxation	951.30	891.71
Balance brought forward	1529.40	932.50
Profit available for appropriation	2480.70	1,824.21
Appropriation:		
Transfer to General Reserve	148.43	134.72
Proposed Dividend	143.24	133.01
Corporate Tax on Dividend	29.16	27.08
Balance Carried Forward	2159.87	1,529.40

FINANCIAL PERFORMANCE REVIEW

The net income of your Company increased to ₹ 15113.89 million from ₹ 13144.53 million in the previous year achieving a growth of around 15% on year to year basis.

The Company achieved EBIDTA of ₹ 2244.15 million against EBIDTA of ₹ 2168.17 in the previous year. At the same time profit before taxation has also increased to ₹ 1432.96 million from ₹ 1365.68 million in the previous year. Similarly, the profit after taxation has also increased to ₹ 951.30 million from ₹ 891.71 million in the previous year registering a growth of 6.68%.

DIVIDEND & RESERVES

Your directors are pleased to recommend a dividend of ₹ 1.40 (i.e. 140 %) per equity share (previous year ₹ 1.30 per equity share) of ₹ 1 each to the equity shareholders of the Company, subject to your approval at the ensuing Annual General Meeting of the Company.

Total dividend payout for the year will amount to ₹ 172.40 million (inclusive of dividend tax of ₹ 29.16 million).

The Company has transferred ₹ 148.43 million to general reserve during the year under review.

STATE OF COMPANY'S AFFAIRS/ BUSINESS OPERATIONS

With a committed vision in mind, your Company delivered yet another year of consistent, competitive and profitable growth. Overall income stood at ₹ 15113.89 million at the year end.

Engineering products (catering to power T & D) division continued to be the pillar of the Company and contributed almost 88% of the net turnover of the Company. Revenue from exports continued to grow during the year under review and the Company is continuously exploring opportunities to enter into new geographies.

The Company successfully completed engineering activities for Mantaro - Montalvo Project in Peru and is on the verge of completing supplies. This project required designing and/ or testing of critical towers of 500 kV – a large number of them meant to be deployed in extremely harsh mountainous conditions upto 4500 altitude. Skipper was chosen among a global pool of 20 large manufacturers to enter into an exclusive alliance agreement by Latin America's largest TSO for these projects.

Tubular product business of the Company engaged in production of Swaged Poles, High Mast Poles and other tubular products and the infrastructure division continued to contribute to the revenues of the Company.

The PVC division of the Company is rapidly expanding in terms of volume and geographic availability. During the year the Company commissioned the Ahmedabad, Guwahati and Sikandarabad (UP) plants, taking the Company's combined installed capacity for PVC products to 35000 MT. The 5th PVC plant of the Company near Hyderabad is under commissioning and is going to be operational in FY 2016.

Expanded capacity would give the Company access to all the critical markets on Pan India basis.

CURRENT YEAR'S OUTLOOK

The Company is part of the delivery process for the two most critical resources, Power & Water that define economic progress and social wellbeing for India and the world. The segment of Power T&D and PVC offers exponential growth opportunities due to government's focus and investment push.

The country's growing population, rapid urbanization and accelerating industrialization will drive the demand for power consumption in the coming years. T&D investment is high on government priority and power evacuation constraints and high transmission losses have attracted the attention of policy makers for more investments in the transmission infrastructure space to match the investment in power generation. The government has taken strong agenda for "Power for All" and announced several schemes to catalyse the growth like dedicated green energy transmission corridors are being developed to cater to renewable energy projects.

Current year budgetary allocation towards schemes in the power sector are up by over 50% to INR 122bn, with almost half to strengthen urban electrical network, smart metering and city-level GIS .With an objective to provide 24x7 power across the country the government has announced several schemes for strengthening of transmission and distribution, separation of feeder and metering of power to consumers.

Further, growth in the sector will be catalyzed by the government's support to discom and decision to create 100 smart cities, Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY), Restructured Accelerated Power Development and Reforms Programme (R-APDRP) and North East India transmission investment.

The Company's Engineering Order book is strong and is almost 2X to its segment sale and provides us with a clear growth visibility for the next 2 years. Our off take and our revenue visibility remain very much consistent over the next few years to drive volume expansion.

Further, the company enjoys a strong presence in the overseas market and is increasingly focusing on developing new market geographies to further expand its international presence for better business opportunities.

Owing to the huge potential of water transportation business the company has aimed for an aggressive PVC products capacity expansion plan, and the business is expected to continue its growth momentum with a targeted capacity of 100,000 MT from the March'16 Level of 35,000 MT by FY' 2019 under Asset Light model to limit its Capex and enhance return.

Our key priorities for the upcoming year will be expansion of our footprint across India with a consumer centric approach to enhance market share.

DIRECTORS & KEY MANAGERIAL PERSONNEL

The Company has an optimum mix of Executive, Non- Executive/ Independent and Women Directors.

Mr. Sharan Bansal (DIN: 00063481) retires by rotation at the ensuing Annual General Meeting and being eligible had offered himself for reappointment. Brief resume of Mr. Bansal forms part of notice of Annual General Meeting.

Mr. Shyam Bahadur Singh ceased to be director of the Company w.e.f 26th March, 2016 following his demise. Mr. Singh played a pivotal role in setting up the rolling mill at the Uluberia plant of the Company and the Board places on record its deep appreciation for the valuable contributions made by him in the growth of the Company.

Mr. Shankar Lal Poddar resigned as an Executive Director of the Company on 6th August, 2015. However he is still serving as a Senior Executive of the Company.

The Board of Directors has appointed Mr. Joginder Pal Dua, as an Additional Director- Independent Category on 1st February, 2016. In his splendid career Mr. Dua has served as Chairman and Managing Director of Allahabad Bank , Chairman of Board of Industrial & Financial Reconstruction and has also been associated with premier educational

Directors' Report (continued)

institutes. The Company has received a notice in compliance of Section 160 of the Companies Act 2013 proposing appointment of Mr. Dua as a Director of the Company.

Mr. Sanjay Kumar Agrawal is continuing as the Chief Financial Officer of the Company and Mr. Arbind Kumar Jain continues to be the Company Secretary of the Company.

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 and Rule 14(1) of the Companies (Appointment and Qualification of Directors) Rules 2014.

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

As required under the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, all the Independent Directors have confirmed that they meet the criteria of independence.

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company follows the process of familiarizing the Independent Directors about the business of the Company, the nature of industry in which the Company operates, their roles, rights and responsibilities in the Company at a regular intervals pursuant to Regulation 25(7) of the LODR Regulations. The programme aims to provide an insight into the Company. This enables the Directors to take an informed decision and discharge their duties and responsibilities in an efficient manner and contribute significantly towards the growth of the Company.

The familiarization programme and the details of programmes arranged by the Company are available on the website of the Company www.skipperlimited.com

COMPANY'S POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATION, POSITIVE ATTRIBUTE AND INDEPENDENCE OF DIRECTORS.

The Company has a policy in place for selection and appointment of Directors/ Key Managerial Personnel/ Senior Managerial Personnel and their remuneration, including criteria for determination of qualification, positive attributes and independence of Directors. The remuneration policy is attached herewith as Annexure A.

PERFORMANCE EVALUATION

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Nomination and Remuneration Committee had carried out an exercise to evaluate the performance of individual Directors, on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company, attendance, preparedness for the meeting, independence of judgment etc.

The Independent Directors have evaluated the performance of the Chairman, the Non Independent Directors and the Board as a whole at their separate meeting.

Taking into consideration the evaluation exercise carried out by the Nomination and Remuneration Committee and Independent Directors at their separate meeting and the questionnaires filled by all directors, the Board carried out a formal annual performance evaluation of all the Directors.

The Board evaluated the performance of the committees on the broad parameters like committee's role, membership, practice & procedure and performance and evaluated its own performance on parameters like Board's role, membership, practice & procedure and performance of the Company.

The Board was satisfied by 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, and based on the representations received from the management, the Board of Directors of the Company hereby state and confirm that:

- (i) in the preparation of the Annual Accounts for the year ended 31st March, 2016, the applicable accounting standards read with requirements set out under Schedule III to 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 the state of affairs of the Company as at 31st March, 2016 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, 2016 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 control are adequate and are 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

Minimum four board meetings are held annually. The maximum time gap between any two meetings was less than four months as stipulated under SEBI (LODR) Regulations, 2015. Additional board meetings are held to address the Company’s specific needs and in case of business exigencies, resolutions are passed by circulations.

During the year five meetings of the Board of Directors were held. The details of the aforesaid meetings are furnished in Report on Corporate Governance.

COMMITTEES OF THE BOARD

The Company has constituted/re-constituted various Board level committees in accordance with the requirements of Companies Act 2013. The Board has the following committees as under:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee.

Apart from the above the Company has two non statutory committees namely the Finance Committee and the Executive Committee. Details of all the above Committees along with composition and 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 a duly approved Corporate Social Responsibility Policy indicating the activities to be undertaken by the Company towards achieving its social commitments. The CSR Policy may be accessed on the Company’s website www.skipperlimited.com

The Company has contributed/spent funds for the purpose of promotion of education, skill development, promoting healthcare, animal welfare, promoting art & culture, improvement of health and sanitation facilities, eye check up camps etc. The Annual Report on CSR activities is annexed herewith in Annexure –B.

RISK MANAGEMENT

The Company understands that risk evaluation and risk mitigation is an ongoing process within the organization and the Board of Directors is fully committed for identification and mitigation of risk.

The Company has voluntarily formed a Risk Management Committee which has been entrusted with the responsibility to assist the Board in (a) overseeing and approving the Company’s enterprise wide risk management framework and (b) overseeing that all the risks that the organization faces such as strategic, financial , credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company has a risk management policy, duly approved by the Board to identify and mitigate the risk involved in the functioning of the business.

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

Directors' Report (continued)

INTERNAL CONTROL & INTERNAL FINANCIAL CONTROLS

Your 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 controls in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and recommendations along with corrective actions thereon are presented to the Audit Committee of the Board.

During the year, such controls were reviewed and no reportable material weakness was observed.

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 secure reporting of undesired activities.

Disclosures can be made by a whistle blower through an e-mail or letter to the Vigilance Officer or to the Chairman of the Audit Committee. Adequate safeguards are provided against victimization to those who avail of the mechanism.

The policy on vigil mechanism may be accessed on the Company's website www.skipperlimited.com

RELATED PARTY TRANSACTIONS

During the year the Company had purchased plant and machineries from a related party and has accordingly obtained prior approval of the Audit Committee and the Board. Further all related party transactions that were entered into during the financial year were on arms length basis and were in ordinary course of business.

There were no materially significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large.

The Audit Committee has provided omnibus approval for few related party transactions which are repetitive in nature. Such omnibus approvals are valid for a period not exceeding one year and shall require fresh approval after expiry of one year.

A statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

The details of the transaction with related parties are provided in the Notes of the financial statements.

The related party transaction policy as approved by the Board has been uploaded on the company's website www.skipperlimited.com.

Form AOC – 2 is attached with this Report (**Annexure C**) in accordance with the provisions under Rule 8 of the Companies (Accounts) Rules, 2014.

PREVENTION OF INSIDER TRADING

The Company has adopted Code of Conduct to Regulate, Monitor and Report Trading by Insiders in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 with a view to regulate trading in securities by the directors, designated persons, officers 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 GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED

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

PARTICULARS OF EMPLOYEES AND OTHER STATUTORY INFORMATION

Information as per Section 197 (12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are provided in Annexure-D.

EMPLOYEE STOCK OPTION PLAN

During the year the Company has introduced Skipper Employee Stock Option Plan 2015 to encourage and reward the performing employees of the Company.

There have been no changes in the Skipper Employee Stock Option Plan 2015 and the scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

The applicable disclosures as required under Companies Act, 2013 and SEBI (Share Based Employee Benefits) Regulations, 2014 are available in Annexure E and also on www.skipperlimited.com.

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

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under the Companies Act, 2013 and rules made there under are provided in Annexure -F to this Report.

STATUTORY AUDITORS

M/s. Singhi & Company, Chartered Accountants are acting as Statutory Auditors of the Company in accordance with the resolution passed at the Annual General Meeting of the Company held on 23rd September, 2014.

As per Section 139 of the Companies Act, 2013, their continuance of office as Auditors shall be subject to ratification by members at the forthcoming Annual General Meeting.

M/s Singhi & Company has confirmed that their appointment, if made, would be within the limits prescribed under the Companies Act, 2013. Your Directors recommend their continuance as auditors for 2016-17.

A resolution proposing continuance of M/s. Singhi & Co. as the Statutory Auditors of the Company pursuant to Section 139 of the Companies Act, 2013, forms a part of the Notice convening the Annual General Meeting. Members are requested to ratify their appointment as the Statutory Auditors of the Company.

The Auditors' Report is self-explanatory and does not require any further clarifications. The Auditors Report does not contain any qualification, reservation or adverse remarks.

COST AUDITORS

In accordance with the provisions of Section 148 of the Companies Act, 2013 and rules made there under, the Board of Directors had appointed M/s AB & Co., Cost Accountants as the Cost Auditors for the financial year 2015-16 and the members had approved their remuneration at the 34th Annual General Meeting of the Company.

The Cost Auditors submitted their report to the Board of Directors and it did not contain any qualification, reservation or adverse remarks.

The Board has re appointed M/s AB & Co. for conducting the Cost Audit for financial year 2016-17 and their remuneration is sought to be ratified by the shareholders at the forthcoming Annual General Meeting.

SECRETARIAL AUDITORS

In accordance with the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 the Board of Directors of the Company had appointed M/s MKB & Associates, a firm of Company Secretaries to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year ended 31st March, 2016 is annexed herewith as Annexure -G. The Secretarial Audit Report does not contain any major qualification, reservation or adverse remarks.

Directors' Report (continued)

INTERNAL AUDITORS

In accordance with Section 138 of the Companies Act, 2013 and rules made there under, the Board of Directors has appointed M/s R. Kothari & Co., Chartered Accountants, as Internal Auditors to undertake Internal Audit of the Company. The Internal Audit Reports are regularly placed before the Audit Committee and the Board 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 -H.

DEPOSITS

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

CORPORATE GOVERNANCE

Your directors affirm their commitment to Corporate Governance Code prescribed by the Securities Exchange Board of India (SEBI). This Annual Report contains a detailed Report on Corporate Governance as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate from the M/s Singhi & Co., Statutory Auditors confirming compliance of conditions of Corporate Governance is attached separately.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report as required by SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is given as a separate statement.

CEO/CFO CERTIFICATION

The CEO/CFO certification has been submitted to the Board. The report is enclosed separately.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company employed 1475 permanent employees as of the year end. The team comprises of very high quality professionals at various levels from finance, engineering, technical, marketing and legal fields. Employees are provided with suitable training and guidance which assist them in performing their respective duties.

The Company has introduced Employee Stock Option Plan to reward the performing employees. During the year the Company has granted 4,10,000 options under the Skipper Employee Stock Option Plan 2015.

The Company is holding ISO 18001 and ISO 14001 Certification for Health and Safety Standards and Environment Management Standards. The Company keeps on educating the work force for ensuring the safety and precautionary measures to be taken for safety of themselves as well as equipments and the environment.

The efforts of all the work force including executives of all levels are appreciated by the Company.

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

The Company has adopted a policy for prevention, prohibition and redressal of sexual harassment at work place in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employee of the Company are covered by the policy.

Summary of complaints received and disposed off:

No of Complaint received - Nil

No of Complaint disposed - N.A

GENERAL

Your Directors state that:

1. During the year there was no issue of equity shares with differential rights as to dividend, voting or otherwise.
2. During the year there was no Issue of shares (including sweat equity shares) to employees of the Company under any scheme, however grant of 4,10,000 options were made to eligible employees under ESOP 2015 scheme of the Company.
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. No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year to which the financial statements relate and the date of the report.
5. During the year there was no change in the nature of business.
6. The Company does not have any subsidiary, associate or joint venture Company.

ACKNOWLEDGEMENT

Your directors place on record their sincere appreciation for assistance and support received from the Banks, Government Authorities, Customers, Suppliers, Business Associates, Shareholders, Central and State Government and the society as a whole.

Your directors also place on record their appreciation for committed services by Company's executives, staff and workers for continuous support given by them to the Company.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

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.
- 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.
 - 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.

Annexure to Directors' Report (continued)

- 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.
- 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 : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

Annexure to Directors' Report (continued)

ANNEXURE -B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE YEAR ENDED 31ST MARCH, 2016

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.

Corporate Social Responsibility (CSR) creates a dynamic relationship between a Company on the one hand and the society and the environment on the other. The CSR policy of the Company has been prepared keeping in view the requirements of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and has been duly approved by the Board.

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's projects are undertaken keeping in view the provisions of Companies Act, 2013 and the CSR Plan formulated by the Company. The major projects undertaken by the Company during the year under review were:

- (a) Provision for safe drinking water and sanitation facilities to poor village people at Uluberia and Jangalpur areas of Howrah (West Bengal);
- (b) Promoting education, including special education and informal education to the children of the tribals living in remote areas of the country through One Teacher School project undertaken by Friends of Tribal Society;
- (c) Promoting education by way of renovation of schools, distribution of free books, financial support to schools at remote areas.
- (d) Promoting animal welfare activities through Kolkata Pinjrapole Society.
- (e) Contribution towards promoting Art & Culture through various charitable organisations.
- (f) Collaborate with likeminded bodies like Charitable Trusts, Governments and Academic Institute's and Voluntary Organization in order to achieve our objective mentioned in the CSR plan of the Company.

The policy is available at: <http://www.skipperlimited.com/pdf/Policies/CSR-Policy.pdf>

2. Composition of CSR committee

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

3. Average net profit of the company for last three financial years: ₹ 671.66 million
4. Prescribed CSR Expenditure (Two percent of the amount as in item 3 above) : ₹ 13.43 million
5. Details of CSR spend for the financial year
 - (a) Total amount to be spent for the financial year : ₹ 13.43 million
 - (b) Amount unspent if any : Not Applicable
 - (c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programme wise (` million)	Amount spent on the project or programme (` million)	Cumulative expenditure upto reporting period (` million)	Amount spent: Direct or through implementing agency*
1.	Running One Teacher School Programme	Promoting Education and Special Education	Remote Tribal Areas	2.50	2.50	2.50	Implementing agency-Friends of Tribal Society**
2.	Renovation of Government School including distribution of Books and Scholarship	Promoting Education and Special Education	Howrah, (West Bengal)	1.00	1.00	1.00	Implementing agency- Skipper Foundation*
3.	Skill Development	Promoting Education and Special Education	Kolkata, (West Bengal)	5.00	5.00	5.00	Implementing agency- Skipper Foundation*
4.	Support to Government School and under privilege students	Promoting Education and Special Education	Howrah, (West Bengal)	0.00	0.073	0.073	Direct
5.	Support to under privilege students for Skill Development	Promoting Education and Special Education	Howrah, (West Bengal)	0.00	0.036	0.036	Direct
6.	Support To Library	Promoting Education and Special Education	Kolkata, (West Bengal)	0.00	0.10	0.10	Implementing agency-Burra Bazar Library**
7.	Contribution for Construction of School Hostel for Tribal girls	Promoting Education and Special Education	West Bengal	0.10	0.10	0.10	Implementing agency- Purvanchal Kalyan Ashram**
8.	Contribution to Kolkata Traffic Department towards Road safety initiatives.	Promoting Education and Special Education	Kolkata, (West Bengal)	0.00	0.332	0.332	Direct
9.	Financial Support to Surya Kiran School for under privilege students	Promoting Education and Special Education	Kolkata, (West Bengal)	0.20	0.18	0.18	Implementing agency-Kalyan Bharti Trust**
10.	Support to poor and under privilege people for healthcare	Promoting Healthcare including preventing healthcare	Howrah, (West Bengal)	0.00	0.156	0.156	Direct
11.	Support to Charitable Hospital	Promoting Healthcare including preventing healthcare	Kolkata, (West Bengal)	0.50	0.00	0.00	Implementing agency-Marwari Relief Society**
12.	Provision of drinking water, Sanitation facility to poor village people	Promoting Healthcare including preventing healthcare	Howrah, (West Bengal)	1.00	1.00	1.00	Implementing agency- Skipper Foundation*

Annexure to Directors' Report (continued)

Sr. No.	Projects/ Activities	Sector	Locations	Amount outlay (Budget) project or programme wise ₹ million)	Amount spent on the project or programme ₹ million)	Cumulative expenditure upto reporting period ₹ million)	Amount spent: Direct or through implementing agency*
13.	Running of Medical Facility for Poor & Under Privilege including arrangement of free eye camp	Promoting Healthcare including preventing healthcare	Howrah, (West Bengal)	1.00	1.00	1.00	Implementing agency- Skipper Foundation*
14.	Contribution towards Animal Welfare	Animal Welfare/ Conservation of Natural Resources	West Bengal	2.00	2.00	2.00	Implementing agency-Calcutta Pinjrapole Society**
15.	Relief to Earthquake Victims	Contribution to Prime Minister Relief Fund	Kolkata	0.10	0.10	0.10	Implementing agency-Bharat Chamber Benevolent Fund**
16.	Contribution for Promoting Art & Culture	Art & Culture	Kolkata, (West Bengal)	0.00	0.30	0.30	Implementing agency-Lok Sanskriti**
17.	Contribution for Promoting Art & Culture	Art & Culture	Kolkata, (West Bengal)	0.00	0.50	0.50	Implementing agency-Gaudiya Mission**
Grand Total				13.40	14.37	14.37	-

*Skipper Foundation was established in June 20, 2012 as a not-for-profit trust to conduct social welfare activities. Over the years, The Foundation has initiated, guided and conducted several programs in Education, healthcare and social welfare activities.

** Non government organizations or charitable Institutions.

Responsibility Statement

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

Sajan Kumar Bansal
Managing Director
Din: 00063555

Manindra Nath Banerjee
Chairman, CSR Committee
Din: 00312918

ANNEXURE - C**FORM NO. AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered into during the year ended 31st March 2016, which were not at arm's length basis.

2. Details of contracts or arrangements or transactions at Arm's length basis.

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Skipper Polypipes Private Limited
2	Nature of contracts/arrangements/transaction	Purchase of plant & machinery on slump sale basis
3	Duration of the contracts/arrangements/transaction	One time
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Value- ₹ 40.26 million
5	Date of approval by the Board	3 rd November, 2015
6	Amount paid as advances, if any	-

Note: Appropriate approvals have been taken for related party transactions.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

Annexure to Directors' Report (continued)

ANNEXURE - D

Statement of Disclosure of Remuneration under Section 197 of the Companies Act, 2013 and 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 2015-16, Percentage increase in remuneration of Directors, Chief Financial Officer, Company Secretary during the financial year 2015-16.

Sr. No.	Name of Director/KMP	Designation	Ratio of Remuneration of each Director to the Median remuneration	Percentage increase in Remuneration of employees
Executive Directors				
1	Mr. Sajan Kumar Bansal	Managing Director	186.76 : 1	106.61%
2	Mr. Sharan Bansal	Executive Director	93.38 : 1	80.38%
3	Mr. Devesh Bansal	Executive Director	93.38 : 1	80.38%
4	Mr. Siddharth Bansal	Executive Director	93.38 : 1	234.22%
5	Mr. Shankarlal Poddar ¹	Executive Director	9.42 : 1	7.08%
Non Executive Directors (Only commission has been considered)				
6	Mr. Amit Kiran Deb	Independent Director	0.62 : 1	NA
7	Mr. Manindra Nath Banerjee	Independent Director	0.62 : 1	NA
8	Mr. Shyam Bahadur Singh ²	Independent Director	0.62 : 1	NA
9	Mrs. Mamata Binani	Independent Director	0.62 : 1	NA
10	Mr. Joginder Pal Dua ³	Independent Director	NA	NA
Key Managerial Personnel				
11	Mr. Sanjay Kumar Agrawal	Chief Financial Officer	Not Applicable	42.23%
12	Mr. Arbind Kumar Jain	Company Secretary	Not Applicable	12.30%

¹ Mr. Shankar Lal Poddar ceased to be a Director w.e.f 6th August, 2015. Calculations have been done on annualized salary.

² Mr. Shyam Bahadur Singh ceased to be Director w.e.f 26th March, 2016, following his demise.

³ Mr. Joginder Pal Dua was appointed as an Additional Director- Independent Category w.e.f 1st February, 2016 and was not eligible for commission.

- (ii) The Percentage increase in median remuneration of Employees for the financial year was 11.52 %
 (iii) The Company has 1475 permanent employees on the rolls of the company as on 31st March, 2016.
 (iv) Relationship between average increase in remuneration and company's performance:

The average increase in remuneration of employees was 14% during the year under review.

The average increase in remuneration is closely linked to achievement of annual corporate goals, financial and operational performance of the Company and adjustments towards increased cost of living. The reward philosophy of the Company is to provide market competitive reward opportunity that has a strong linkage to and drives performance culture. Each year, the salary increases for the Company are decided on the basis of a benchmarking exercise that is undertaken with similar profile organization. During the year, similar approach was followed to establish the remuneration increase to the Employees.

- (v) Comparison of the remuneration of the Key Managerial Personnel (individually & totally) against the performance of the Company:

The compensation for Key Managerial Personnel's is guided by external competitiveness, annual performance review and overall growth of the Company. The KMP's play a pivotal role in the growth of the Company and considering performance of the Company during the year they have been accordingly remunerated.

- (vi) Variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year over previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:

The market capitalization (at BSE) as on 31st March, 2016 was ₹ 13669.48 million as against ₹ 15633.96 million as on 31st March, 2015.

The P.E ratio of the Company as on 31st March, 2016 was 14.33 as against 17.52 as on 31st March, 2015.

The market price of the shares of the Company on NSE & BSE as on 31st March, 2016 was ₹ 133.25 & ₹ 133.60 respectively. The Company has opted for direct listing of its shares.

- (vii) Average percentage increase in the salaries of employees other than managerial personnel in the financial year was 14.00% whereas the average increase in the managerial remuneration was 101.73%:

The Company has touched new heights due to the continuous efforts of managerial personnel warranting such increase, which was also approved by the shareholders.

- (viii) The key parameters for any variable component of remuneration:

The Non executive directors are paid commission not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, subject to a maximum of ₹ 1,00,000 per Director. Necessary approvals from the shareholders in this regard have been obtained by the Company.

- (ix) The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: NA

The remuneration paid is as per the remuneration policy of the Company.

Information as per Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Name of Employee	Sajan Kumar Bansal	Sharan Bansal	Devesh Bansal	Siddharth Bansal
Age	58 years	36 years	33 years	28 years
Designation	Managing Director	Whole Time Director	Whole Time Director	Whole Time Director
Nature of employment	Contractual	Contractual	Contractual	Contractual
Qualification	B.Com	Bachelor of Science in Mechanical Engineering	Master of Science in International Business and Management	Bachelor of Science in Management and Management in Science International Business
Experience	32 years	14 years	14 years	6 years
Remuneration received	₹ 30 million	₹ 15 million	₹ 15 million	₹ 15 million
Date of commencement of employment	26.10.1984	02.04.2002	05.04.2002	10.03.2010
Particulars of last employment	First Employment	First Employment	First Employment	First Employment
Percentage of equity shares held	8.06%	4.59%	3.54%	10.23%
Relationship with Director	Mr. Sajan Kumar Bansal is father of Mr. Sharan Bansal, Mr. Devesh Bansal and Mr. Siddharth Bansal directors of the Company.	Mr. Sharan Bansal is son of Mr. Sajan Kumar Bansal and brother of Mr. Devesh Bansal and Mr. Siddharth Bansal directors of the Company.	Mr. Devesh Bansal is son of Mr. Sajan Kumar Bansal and brother of Mr. Sharan Bansal and Mr. Siddharth Bansal directors of the Company.	Mr. Siddharth Bansal is son of Mr. Sajan Kumar Bansal and brother of Mr. Sharan Bansal and Mr. Devesh Bansal directors of the Company.

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

Annexure to Directors' Report (continued)

ANNEXURE - E

Disclosure pursuant to the provisions of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Companies Act, 2013.

Sr. No.	Particulars	SKIPPER Limited Employee Stock Option Plan
A.	Relevant Disclosures in terms of the 'Guidance note on accounting for employee share based payments'	Refer note no.38 of notes to the account
B.	Diluted EPS	Refer note no.35 of notes to the account
C. (I)	Description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including	
(a)	Date of shareholders approval	7 th January, 2016
(b)	Total number of options approved	20,00,000
(c)	Vesting Requirement	Options granted under ESOP 2015 would vest not before one year and not later than six years from the date of grant of such Options.
(d)	Exercise Price or pricing formula	Exercise price shall be such price being not less than the face value of the equity shares of the Company as may be determined by the Committee.
(e)	Maximum Term of Option Granted	Six years
(f)	Source of Shares	Primary
(g)	Variation in terms of option	Nil
C. (II)	Method used to account for ESOS	Intrinsic value method
C. (III)	Where the Company opts for expensing of the options using intrinsic value of the options, the difference between the employee compensation cost so computed and the employee contribution cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.	Had the compensation cost been determined in the manner consistent with fair value approach, the Company's net income would be lower by ₹ 0.45 million and earning per share (basic+diluted) would have been lower by ₹ 0.01
C. (IV)	Options movement during the year	
	Number of options outstanding at the beginning of the period	Nil
	Number of options granted during the year	4,10,000
	Number of options forfeited / lapsed during the year	Nil
	Number of options vested during the year	Nil
	Number of options exercised during the year	Nil
	Number of shares arising as a result of exercise of options	Nil
	Money realized by exercise of options (INR), if scheme is implemented directly by the company	Nil

Annexure to Directors' Report (continued)

Sr. No.	Particulars	SKIPPER Limited Employee Stock Option Plan
	Loan repaid by the Trust during the year from exercise price received	NA
	Number of options outstanding at the end of the year/ No. of options in force	4,10,000
	Number of options exercisable at the end of the year	Nil
C. (V)	Weighted average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock.	Weighted average exercise price is ₹ 100 and weighted average fair value of option is ₹ 85.65. The exercise price is less than the market price of the stock.
C. (VI)	Employee wise details of option granted during the year to:	
	(i) Senior Managerial Person (including KMP)	(i) Summary [^] of options granted to senior managerial personnel are as under: No. of employees covered : 5 No. of options granted to such personnel: 2,70,000
	(ii) Any other employee who receives a grant in any 1 year of option amounting to 5% or more option granted during the year	(ii) Summary [^] of employees who are granted options amounting to 5% or more option granted during the year: No. of employees covered : 3 No. of options granted to such personnel: 1,00,000
	(iii) Identified employee who where granted the options during any 1 year, equal to or exceeding 1% of the issued capital of the company at the time of grant	iii) Nil
		[^] Only summary given because of sensitive nature of information
C. (VII)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	(a) The weighted average values of share prices, exercise price, expected volatility, expected option life, expected dividends, the risk free interest rate and any other inputs to the model.	Share price-₹ 139.65 Exercise price-₹ 100.00 Expected volatility- 55.86% Expected option Life- 3.73 Expected dividend yield- 0.93% Risk free interest rate- 7.56%
	(b) The method used and the assumptions made to incorporate the effects of expected early exercise.	Expected Life of options is the period for which the Company expects the options to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised. Average of minimum and maximum life has been taken to arrive at Expected life.
	(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility.	Each vest has been considered as separate grant. Accordingly, the volatility for periods corresponding to the expected time of different vests prior to the grant date has been considered.

Annexure to Directors' Report (continued)

Sr. No.	Particulars	SKIPPER Limited Employee Stock Option Plan
(d) Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	<p>Expected dividend yield has been calculated based on the last declared dividend prior to the date of grant considering that the last paid dividend is the best estimate of dividend likely to be declared in the future years.</p> <p>Risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities.</p> <p>Stock price of the Company considered is the closing market price of the Company's equity share on The closing market price one day prior to the date of grant, on National Stock Exchange (NSE) has been considered for the purpose of option valuation.</p>	

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

ANNEXURE - F

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014

A. CONSERVATION OF ENERGY

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

- The Company continues to give high priority to the conservation of energy on an ongoing basis. The Company monitors the energy consumption and it takes due care in proper utilization of the energy.
- The regular maintenance of Plant & Machinery, installation of Automated Machines and watchful supervision results in reduction in energy consumption.
- Steps are taken for replacing defective and inefficient equipments as and when required.

(ii) Steps taken for utilizing alternate sources of energy:

Currently the Company is not utilizing any alternate sources of energy.

(iii) Capital Investment on energy conservation equipments:

No material expenditure was incurred on energy conservation equipments.

B TECHNOLOGY ABSORPTION

i) Efforts, made towards technology absorption.

The Company is using new technology machines for better production and effective utilization of resources. Manufacturing process is continuously monitored to ensure better productivity.

ii) Benefits derived like product improvement, cost reduction, product development, 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.

iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year).

Sr. No.	Technology Imported	Year of import	Absorption
1	CNC Tandem Hydraulic Press Brake	2015-16	Fully Absorbed
2	Automatic Pole Welding Machine	2015-16	Fully Absorbed
3	Galvanising Furnace	2015-16	Fully Absorbed
4	Fully Recirculating Four Station Dryer	2015-16	Fully Absorbed
5	Zinc Kettle	2015-16	Fully Absorbed
6	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
7	2000L Five Layers Blow Molding Machine, 500L Mold, 750L Mold, 1000L Mold, 1500L Mold, 2000L Mold, Injection Lid Mold	2015-16	Fully Absorbed
8	CNC Machine	2014-15	Fully Absorbed
9	Drilling Machine	2014-15	Fully Absorbed
10	CNC Machine	2013-14	Fully Absorbed
11	Puller & Tensioner	2013-14	Fully Absorbed
12	Tools & Tickles	2013-14	Fully Absorbed

Annexure to Directors' Report (continued)

iv) Expenditure incurred on Research and Development

No major Expenses have been incurred on R & D except expenditure on market research & Surveys.

C FOREIGN EXCHANGE EARNING / OUTGO FOREIGN EXCHANGE EARNED:

₹ in million

Foreign Exchange earned	7096.54
Foreign Exchange Outgo	154.41
C.I.F. Value of Imports	1292.21

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

ANNEXURE – G

FORM NO. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

[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, 2016 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, 2016, 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”), 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 & 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

Annexure to Directors' Report (continued)

- vi) Other than fiscal, labour and environmental laws, which are generally applicable to all Manufacturing Companies no other laws are specifically applicable to the Company.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India. [Applicable from 1st July, 2015]
- (b) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. [Applicable from 1st December, 2015]

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except that form for Board approval of Annual Accounts for the year 2014-2015 is in the process of being filed.

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 subject to our observations above 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 the Company has passed a special resolution by way of postal ballot for introduction and implementation of Skipper Employee Stock Option Plan, 2015 and to create and grant from time to time, in one or more tranches not exceeding 20,00,000 (twenty lakhs) Employee Stock Options to eligible employees. However, the above do not have any major bearing on the Company's affairs.

We further report that during the period under Audit the equity shares of the Company were listed on the National Stock Exchange of India Limited. The NSE vide its letter dated 25.05.2015 gave its approval for dealing in the equity shares of the company with effect from 27.05.2015.

For **MKB & Associates**
Company Secretaries

Manoj Kumar Banthia
Partner
ACS no. 11470
COP no. 7596

Place : Kolkata
Date : 18th May, 2016

ANNEXURE – 1 OF MR 3

To,
The Members,
SKIPPER LIMITED

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

1. It is management's responsibility to identify the Laws, Rules, Regulations, Guidelines and Directions which are applicable to the Company depending upon the industry in which it operates and to comply and maintain those records with same in letter and in spirit. My responsibility is to express an opinion on those records based on our audit.
2. I have followed the audit practices and process 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 process and practices I followed provide a reasonable basis for our opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management's Representation about the compliance of Laws, Rules, Regulations, Guidelines and Directions and happening events, etc.
5. 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

Manoj Kumar Banthia
Partner
ACS no. 11470
COP no. 7596

Place : Kolkata
Date : 18th May, 2016

Annexure to Directors' Report (continued)

ANNEXURE - H

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2016

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 - 700 013, Tel.: 033-22892327, Fax.: 033-22895733
6 Whether listed company	Yes
7 Name, Address & contact details of the Registrar & Transfer Agent, if any.	ABS Consultant Pvt Ltd. 4 B. B. D Bag, 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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Engineering Products	25119	88.04
2	PVC Products	22209	10.13

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
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-2015]			No. of Shares held at the end of the year [As on 31 st -March-2016]			% Change during the year		
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	42,447,337	-	42,447,337	41.49%	42,442,537	-	42,442,537	41.48%	-0.01%
b) Central Government	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Government(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corporate	31,607,625	-	31,607,625	30.89%	31,607,625	-	31,607,625	30.89%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
Sub Total (A) (1)	74,054,962	-	74,054,962	72.30%	74,050,162	-	74,050,162	72.37%	-0.01%

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2015]			No. of Shares held at the end of the year [As on 31-March-2015]			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
(2) Foreign								
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00% 0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00% 0.00%
c) Bodies Corporate	-	-	-	0.00%	-	-	-	0.00% 0.00%
d) Banks / FI	-	-	-	0.00%	-	-	-	0.00% 0.00%
e) Any other	-	-	-	0.00%	-	-	-	0.00% 0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00% 0.00%
TOTAL (A)	74,054,962	-	74,054,962	72.38%	74,050,162	-	74,050,162	72.37% -0.01%
B. Public Shareholding								
<i>1. Institutions</i>								
a) Mutual Funds	-	-	-	0.00%	2,945,387	-	2,945,387	2.88% 2.88%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00% 0.00%
c) Central Government	-	-	-	0.00%	-	-	-	0.00% 0.00%
d) State Government (s)	-	-	-	0.00%	-	-	-	0.00% 0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00% 0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00% 0.00%
g) FIIs	-	-	-	0.00%	318,560	-	318,560	0.31% 0.31%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00% 0.00%
i) Others - Foreign Portfolio Investors	-	-	-	0.00%	166,853	-	166,853	0.16% 0.16%
Sub-total (B)(1):-	-	-	-	0.00%	3,430,800	-	3,430,800	3.35% 3.35%
<i>2. Non-Institutions</i>								
a) Bodies Corporate								
i) Indian	19,245,682	92,500	19,338,182	18.90%	15905589		15,905,589	15.55% -3.35%
ii) Overseas	-	-	-	0.00%	-		-	0.00% 0.00%
b) Individuals	-	-	-	0.00%	-		-	0.00% 0.00%
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	2,557,389	28801	2,586,190	2.53%	4140865	12801	4,153,666	4.06% 1.53%
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	6170357	-	6,170,357	6.03%	2980220	-	2,980,220	2.91% -3.12%
c) Others (specify)	-	-	-	0.00%	1206113	-	1,206,113	1.18% 1.18%
Non Resident Indians	166771	-	166,771	0.16%	589912	-	589,912	0.58% 0.41%
Sub-total (B)(2):-	28,140,199	121,301	28,261,500	27.62%	24,822,699	12,801	24,835,500	24.28% -3.34%
Total Public (B)	28,140,199	121,301	28,261,500	27.62%	28,253,499	12,801	28,266,300	27.63% 0.01%
C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)	102,195,161	121,301	102,316,462	100%	102,303,661	12,801	102,316,462	100% 0.00%

Annexure to Directors' Report (continued)

(ii) Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% 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%	-	0.00%
2	Devesh Bansal	3,622,175	3.54%	-	3,622,175	3.54%	-	0.00%
3	Sharan Bansal	4,696,955	4.59%	-	4,696,955	4.59%	-	0.00%
4	Sumedha Bansal	5,766,631	5.64%	-	5,766,631	5.64%	-	0.00%
5	Rashmi Bansal	6,864,396	6.71%	-	6,864,396	6.71%	-	0.00%
6	Siddharth Bansal	10,468,725	10.23%	-	10,468,725	10.23%	-	0.00%
7	Sajan Kumar Bansal	8,248,596	8.06%	-	8,243,796	8.06%	-	0.00%
8	Vaibhav Metals Private Limited	367,500	0.36%	-	367,500	0.36%	-	0.00%
9	Utsav Ispat Private Limited	380,625	0.37%	-	380,625	0.37%	-	0.00%
10	Skipper Polypipes Pvt. Ltd. (Formerly: Prakriti Steels Private Limited)	399,000	0.39%	-	399,000	0.39%	-	0.00%
11	Samriddhi Ferrous Private Limited	1,443,750	1.41%	-	1,443,750	1.41%	-	0.00%
12	Aakriti Alloys Private Limited	1,979,250	1.93%	-	1,979,250	1.93%	-	0.00%
13	Ventex Trade Private Limited	4,987,500	4.87%	-	4,987,500	4.87%	-	0.00%
14	Skipper Plastic Limited (Formerly Rama Consultancy Company (1993) Limited)	22,050,000	21.55%	-	22,050,000	21.55%	-	0.00%
Total		74,054,962	72.38%	-	74,050,162	72.37%	-	-0.01%

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

Sr. 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
	At the beginning of the year	N.A	-	74,054,962	72.38%	74,054,962	72.38%
	Changes during the year (Transfer by Mr. Sajan Kumar Bansal)	30.03.2016	Transfer	(3,000)	0.00%	74,051,962	72.38%
		31.03.2016	Transfer	(1,800)	0.00%	74,050,162	72.37%
	At the end of the year	N.A	-	74,050,162	72.37%	74,050,162	72.37%

- (iv) Shareholding Pattern of top ten Shareholders as on 31.3.2016
 (Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.	For each of the Top 10 shareholders No.	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	1,575,000	1.54%	1,575,000	1.54%
	Changes during the year	2,542,500	2.48%	4,117,500	4.02%
	At the end of the year	4,117,500	4.02%	4,117,500	4.02%
2	DSP BLACKROCK MICRO CAP FUND				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	1,553,372	1.52%	1,553,372	1.52%
	At the end of the year	1,553,372	1.52%	1,553,372	1.52%
3	PURUSHOTTAM DISTRIBUTORS PRIVATE LIMITED				
	At the beginning of the year	1,368,150	1.34%	1,368,150	1.34%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	1,368,150	1.34%	1,368,150	1.34%
4	DSP BLACKROCK EMERGING STARS FUND				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	1,206,113	1.18%	1,206,113	1.18%
	At the end of the year	1,206,113	1.18%	1,206,113	1.18%
5	BONUS RETAILS PRIVATE LIMITED				
	At the beginning of the year	1,155,000	1.13%	1,155,000	1.13%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	1,155,000	1.13%	1,155,000	1.13%
6	DHANVRIDDHI AGENCIES PRIVATE LIMITED				
	At the beginning of the year	980,000	0.96%	980,000	0.96%
	Changes during the year	-	0.00%	-	-
	At the end of the year	980,000	0.96%	980,000	0.96%
7	DSP BLACKROCK INDIA T.I.G.E.R. FUND				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	786,594	0.77%	786,594	0.77%
	At the end of the year	786,594	0.77%	786,594	0.77%
8	ROSELIFE ENCLAVE PRIVATE LIMITED				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	706,000	0.69%	706,000	0.69%
	At the end of the year	706,000	0.69%	706,000	0.69%
9	LIFEMAKE AGENCY PRIVATE LIMITED				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	701,250	0.69%	701,250	0.69%
	At the end of the year	701,250	0.69%	701,250	0.69%
10	LOOKLINE VINIMAY PRIVATE LIMITED				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	630,000	0.62%	630,000	0.62%
	At the end of the year	630,000	0.62%	630,000	0.62%

Annexure to Directors' Report (continued)

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	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	8248596	8.06%	8248596	8.06%
	Changes during the year	(4800)	0.00%	8243796	8.06%
	At the end of the year	8243796	8.06%	8243796	8.06%
2	Name- SHARAN BANSAL - Whole time Director				
	At the beginning of the year	4696955	4.59%	4696955	4.59%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	4696955	4.59%	4696955	4.59%
3	Name- DEVESH BANSAL - Whole time Director				
	At the beginning of the year	3622175	3.54%	3622175	3.54%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	3622175	3.54%	3622175	3.54%
4	Name- SIDDHARTH BANSAL - Whole time Director				
	At the beginning of the year	10468725	10.23%	10468725	10.23%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	10468725	10.23%	10468725	10.23%
5	Name- AMIT KIRAN DEB - Independent Director				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	-	0.00%	-	0.00%
6	Name- MANINDRA NATH BANERJEE - Independent Director				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	-	0.00%	-	0.00%
7	Name- MAMTA BINANI - Independent Director				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	-	0.00%	-	0.00%
8	Name- JOGINDER PAL DUA - Independent Director				
	At the beginning of the year	-	0.00%	-	0.00%
	Changes during the year	-	0.00%	-	0.00%
	At the end of the year	-	0.00%	-	0.00%

Sr. No.	Shareholding of each Director and each Key Managerial Personnel	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
9	Name SHANKARLAL PODDAR - Whole time Director **			200	0.00%	200	0.00%
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			0	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%
10	Name SANJAY KUMAR AGRAWAL-CFO			200	0.00%	200	0.00%
	At the beginning of the year			200	0.00%	200	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			200	0.00%	200	0.00%
11	Name ARBIND KUMAR JAIN-CS			-	0.00%	-	0.00%
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

** Mr. Shankar Lal Poddar was a director upto 6th August, 2015

V. INDEBTEDNESS

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

(₹ in million)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	2,857.40	971.19	-	3,828.59
(ii) Interest due but not paid	6.99	6.59	-	13.57
(iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2,864.38	977.78	-	3,842.16
Change in Indebtedness during the financial year				
* Addition	1,154.01	843.72	-	1,997.73
* Reduction	941.28	198.11	-	1,139.39
Net Change	212.73	645.62	-	858.35
Indebtedness at the end 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)	3,077.11	1,623.39	-	4,700.51

Annexure to Directors' Report (continued)

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount (₹ million)
		Sajan Kumar Bansal	Sharan Bansal	Devesh Bansal	Siddharth Bansal	Shankarlal Poddar	
	Designation	Managing Director	Whole Time 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	30.00	15.00	15.00	15.00	0.47	75.47
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	0.05	0.05
2	Stock Option	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	- others, specify	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	Total (A)	30.00	15.00	15.00	15.00	0.52	75.52
	Ceiling as per the Act (10% of Net Profit)						151.24

B. Remuneration to other Directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (₹ million)
		Amit Kiran Deb	Manindra Nath Banerjee	Shyam Bahadur Singh	Mamta Binani	
1	Independent Directors					
	Fee for attending board/committee meetings	0.19	0.24	0.11	0.08	0.62
	Commission	0.10	0.10	0.10	0.10	0.40
	Others, please specify	-	-	-	-	-
	Total (1)	0.29	0.34	0.21	0.18	1.02
2	Other Non-Executive Directors					
	Fee for attending board/committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	0.29	0.34	0.21	0.18	1.02
	Total Managerial Remuneration					76.53
	Overall Ceiling as per the Act (11% of Net Profit)					166.36

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

Sr.	Particulars of Remuneration No.	Name of Key Managerial Personnel	Total Amount
	Name	Sanjay Kumar Agrawal	(₹ in million)
	Designation	Chief Financial Officer	Arbind Kumar Jain
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.58	1.13
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0.18	0.15
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5	Others, please specify	-	-
Total		2.77	1.28
			4.05

VII. Penalties / Punishment/ Compounding Of Offences:

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

Nil

For and on behalf of the Board of Directors

Place : Kolkata
Date : 18th May, 2016

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

Report on Corporate Governance

(Pursuant to SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015)

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 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 COMPOSITION AND PARTICULARS OF DIRECTORS

(a) Board Composition

The Company has a judicious mix of Executive and Non Executive Independent Directors on its Board in conformity with the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

At present the Board comprises of 8 (eight) Directors which includes 4 (four) Executive Directors and 4 (four) Independent Directors including a Woman Director.

None of the Director is a director in more than 20 (twenty) Companies or member of more than 10 (ten) Committees or act as Chairman of more than 5 (five) Committees across all Companies in which they are Directors.

None of the Independent Director's is serving as an Independent Director in more than 7 (seven) listed companies and the Whole Time Directors are not serving as Independent Director in more than 3 (three) listed companies.

The details of the Director's are as follows:

Sr. No.	Name of Director	Category	No. of other Directorship²	Other Committee position held³		Number of Shares Held
				As Chairman	As Member	
1	Mr. Amit Kiran Deb	Independent Director-Chairman	4	1	3	-
2	Mr. Sajan Kumar Bansal	Managing Director - Promoter	10	-	-	8243796
3	Mr. Sharan Bansal	Executive Director- Promoter	9	-	-	4696955
4	Mr. Devesh Bansal	Executive Director- Promoter	10	-	-	3622175
5	Mr. Siddharth Bansal	Executive Director- Promoter	3	-	-	10468725
6	Mr. Manindra Nath Banerjee	Independent Director	4	2	2	-
7	Mr. Joginder Pal Dua ¹	Independent Director	1	-	-	-
8	Mrs. Mamta Binani	Independent Director-Woman Director	7	2	3	-

¹ Mr. Joginder Pal Dua was appointed as an Additional Director- Independent Category w.e.f 1st February, 2016.

² Excludes directorship of professional bodies, foreign companies, Company under Section 8 of the Companies Act, 2013.

³ Represents only membership/ chairmanship of Audit Committee & Stakeholders Relationship Committee of Indian Public Companies.

All Directors have given a declaration that they do not disqualify under the provisions of Section 164(2) of the Companies Act, 2013.

Further all the Independent Directors of the Company furnish a declaration at the time of their appointment and also annually that they qualify the conditions of their being independent as laid down under the SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. All such declarations are placed before the Board.

Mr. Sajan Kumar Bansal is the father of Mr. Sharan Bansal, Mr. Devesh Bansal and Mr. Siddharth Bansal. Apart from this, no Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

(b) Board Meetings

Your Company's Board plays a pivotal role in ensuring good governance and functioning of your Company. The Board periodically reviews all the relevant information, which is required to be placed before it pursuant to SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. Agenda and Notes on agenda are circulated among the Directors, well in advance. All the agenda items are supported by relevant information, documents and presentation to enable the Board to take informed decisions.

The Company has complied with Part A of Schedule II of SEBI (LODR) Regulation 2015 read with regulation 17(7) of the said regulations with regard to information being placed before the Board of Directors.

During the year 5 (Five) Board Meetings were held on 22nd May, 2015, 28th July, 2015, 5th October, 2015, 3rd November, 2015 and 1st February, 2016.

The maximum time-gap between any two consecutive meetings did not exceed 120 days.

Director's attendance at the above Board Meetings and at the last Annual General Meeting (AGM) are as under:

Sr. No.	Name of Director	Number of Board Meetings held during the year/tenure		Attendance at last AGM
		Held	Attended	
1	Mr. Amit Kiran Deb	5	5	Yes
2	Mr. Sajan Kumar Bansal	5	5	Yes
3	Mr. Sharan Bansal	5	2	Yes
4	Mr. Devesh Bansal	5	4	Yes
5	Mr. Siddharth Bansal	5	3	Yes
6	Mr. Manindra Nath Banerjee	5	5	Yes
7	Mrs. Mamta Binani	5	5	Yes
8	Mr. Shankar Lal Poddar ¹	2	2	NA
9	Mr. Shyam Bahadur Singh ²	5	3	No
10	Mr. Joginder Pal Dua ³	-	-	N.A

¹ Mr. Shankar Lal Poddar ceased to be director w.e.f 6th August, 2015.

² Mr. Shyam Bahadur Singh ceased to be a director w.e.f 26th March, 2016 following his demise.

³ Mr. Joginder Pal Dua was appointed as an Additional Director- Independent Category w.e.f 1st February, 2016.

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

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

(d) Changes in the composition

Mr. Shankar Lal Poddar ceased to be a Director w.e.f 6th August, 2015, Mr. Shyam Bahadur Singh ceased to be Director w.e.f 26th March, 2016, following his demise and Mr. Joginder Pal Dua was appointed as an Additional Director – Independent Category w.e.f 1st February, 2016.

(e) Terms and Conditions for Appointment of Independent Directors

The terms and conditions of appointment of the Independent Directors are subject to the provisions of the applicable laws, including the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 along with the Articles of Association of the Company. The maximum tenure of independent directors is in accordance with the Companies Act 2013 and rules made thereunder .The Code of Conduct contain the duties of the Independent Directors laid down in Companies Act 2013.

Report on Corporate Governance (continued)

(f) Familiarization Programme of Independent Directors

In adherence to Regulation 46(2) (i) of SEBI (LODR) Regulations, 2015, the details of familiarization Programme of Independent Directors can be viewed at –

<http://www.skipperlimited.com/investor-relations/pdf/FAMILIARIZATION-PROGRAM-FOR-INDEPENDENT-DIRECTORS.pdf>

3. COMPLIANCE AND COMPLIANCE OFFICER

A composite report of statutory compliances of all applicable laws, rules and regulations among others along with the Certificates of Compliance is placed before the Board on a quarterly basis. The Company Secretary is the Compliance Officer and is required to ensure adherence to all the applicable laws and regulations primarily the Companies Act, 2013 read with the rules thereunder and SEBI (LODR) Regulations, 2015 besides preparing the agenda, the notes on the agenda and minutes of the meeting, among others. The Company Secretary establishes and regularly monitors the compliance mechanism in place to carry out effective and timely compliance of relevant laws, rules and regulations. The Company Secretary is responsible for coordination with and reporting to the Board, recognized stock exchange and depositories with respect to compliance with rules, regulations and other directives of these authorities specified from time to time.

4. COMMITTEES

The board has constituted the following committees keeping in view the requirements of the Companies Act, 2013 as well as SEBI (LODR) Regulations, 2015 also with an objective to have a more focused attention on various facets of business:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders Relationship Committee
- (d) Corporate Social Responsibility Committee
- (e) Risk Management Committee
- (f) Finance Committee
- (g) Executive Committee

4a. AUDIT COMMITTEE

The Board has a duly constituted Audit Committee in accordance with the provisions of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

All the members of the committee are financially literate and the composition of the Audit Committee meets the specified requirements.

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

During the year 5 (Five) audit committee meetings were held on 22nd May, 2015, 28th July, 2015, 5th October, 2015, 3rd November, 2015 and 1st February, 2016.

The composition and attendance of the members of the Audit Committee are as follows:

Name of the Director	Designation	Committee meeting held during the year /tenure	Committee meeting attended
Mr. Manindra Nath Banerjee	Chairman	5	5
Mr. Amit Kiran Deb ¹	Member	3	3
Mr. Shyam Bahadur Singh ²	Member	5	3
Mr. Sharan Bansal	Member	5	2
Mr. Joginder Pal Dua ³	Member	NA	NA

¹ Mr. Amit Kiran Deb was appointed as a member w.e.f 28th July, 2015

² Mr. Shyam Bahadur Singh ceased to be a member w.e.f 26th March, 2016

³ Mr. Joginder Pal Dua was appointed as a member w.e.f 18th May, 2016

The Committee is governed by the terms of reference as laid down under the provisions of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015 which includes:

- (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;
- (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.

Report on Corporate Governance (continued)

- (xix) approve appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate.
- (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.

In addition to the above the Audit Committee shall mandatorily review the following:

- (i) management discussion and analysis of financial condition and results of operations;
- (ii) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- (iii) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (iv) internal audit reports relating to internal control weaknesses; and
- (v) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- (vi) statement of deviations:
 - (a) 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 (LODR) Regulations, 2015.
 - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI (LODR) Regulations, 2015.

4b. NOMINATION AND REMUNERATION COMMITTEE

The Board has constituted a Nomination & Remuneration Committee in accordance with the provisions of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015.

During the year 3 (three) Nomination & Remuneration Committee meetings were held on 5th October, 2015, 1st February, 2016 and 9th March, 2016.

The composition and attendance of the members of the Nomination & Remuneration Committee are as follows:

Name of the Director	Designation	Committee meeting held during the year/tenure	Committee meeting attended
Mr. Manindra Nath Banerjee	Chairman	3	3
Mr. Amit Kiran Deb	Member	3	3
Mr. Shyam Bahadur Singh ¹	Member	3	2
Mrs. Mamta Binani ²	Member	NA	NA

1 Mr. Shyam Bahadur Singh ceased to be a member w.e.f 26th March, 2016

2 Mrs. Mamta Binani was appointed as a member w.e.f 10th May, 2016.

The Committee is governed by the terms of reference duly approved by the Board of Directors which includes:

- (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.
- (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

The Directors of the Company are evaluated on the following criteria's:

- (a) Attendance
- (b) Preparedness for the meeting
- (c) Staying updated on developments
- (d) Active participation in the meetings
- (e) Constructive contribution/Positive Attributes
- (f) Contribution to strategic planning
- (g) Carrying out Responsibilities as per the Code of conduct
- (h) Team work
- (i) Level of engagement and contribution
- (j) Independence of judgment
- (k) Safeguarding the interest of the Company

The Nomination & Remuneration Committee also administers the Employee Stock Option Scheme, which was approved by a resolution of the shareholders on 7th January, 2016.

The Company Secretary acts as secretary to the committee

Remuneration of Directors

The Company has formulated a remuneration policy which interalia covers the compensation structure of Executive & Non Executive Directors. The remuneration policy is attached with the Director's Report and is also available on the website of the Company www.skipperlimited.com

- (a) Details of remuneration paid to Executive Directors during the year

Sr. No.	Name of Director	Designation	Remuneration (₹)
1	Mr. Sajan Kumar Bansal	Managing Director	30 million
2	Mr. Sharan Bansal	Executive Director	15 million
3	Mr. Devesh Bansal	Executive Director	15 million
4	Mr. Siddharth Bansal	Executive Director	15 million
5	Mr. Shankar Lal Poddar ¹	Executive Director	0. 52 million

¹ Mr. Shankar Lal Poddar ceased to be Director w.e.f 6th August, 2016 .

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

The salient features of terms of appointment are:

Particulars	Name of Director	Terms
Period of appointment *	Mr. Sajan Kumar Bansal	Upto 30 th September, 2019
	Mr. Sharan Bansal	Upto 30 th June, 2017
	Mr. Devesh Bansal	Upto 31 st March, 2019
	Mr. Siddharth Bansal	Upto 31 st March, 2019
Salary Scale **	Mr. Sajan Kumar Bansal	₹ 30 million p.a subject to 10% increase in every year.
	Mr. Sharan Bansal	₹ 15 million p.a subject to 10% increase in every year.
	Mr. Devesh Bansal	₹ 15 million p.a subject to 10% increase in every year.
	Mr. Siddharth Bansal	₹ 15 million p.a subject to 10% increase in every year.

Report on Corporate Governance (continued)

Particulars	Name of Director	Terms
Minimum remuneration in case of inadequacy of profit in any financial year	The remuneration shall not exceed the limits prescribed from time to time under section 196, 197, 198 and 203 read with schedule V and all other applicable provisions of the Companies Act 2013.	
Notice period on either side	Three months prior notice in writing to the other side	
Severance fees for termination of employment	Nil	
Stock Options	Nil	

* Re-appointment of Mr. Sajan Kumar Bansal, Mr. Devesh Bansal and Mr. Siddharth Bansal is subject to approval of the shareholders at the ensuing Annual General Meeting.

** Salary of Mr. Sajan Kumar Bansal, Mr. Sharan Bansal, Mr. Devesh Bansal & Mr. Siddharth Bansal has been increased to ₹ 48 million, ₹ 24 million, ₹ 24 million & ₹ 24 million respectively w.e.f 1st April, 2016. It is subject to the approval of the shareholders at the ensuing Annual General Meeting.

(b) Details of remuneration paid to Non Executive Director

Sitting Fee-

The Company pays sitting fees to independent directors for attending the meeting of the Board of directors and committee meetings.

Commission-

The Non executive directors are paid commission not exceeding in aggregate one percent of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, subject to a maximum of ₹ 1,00,000 per Director. Necessary approvals from the shareholders in this regard has been obtained by the Company.

The details of payment to non executive directors are given below:

Name of Director	Commission	Sitting Fee	Total	(₹ in million)
Mr. Manindra Nath Banerjee	0.10	0.240	0.340	
Mr. Shyam Bahadur Singh	0.10	0.113	0.213	
Mr. Amit Kiran Deb	0.10	0.188	0.288	
Mrs. Mamta Binani	0.10	0.075	0.175	
Mr. Joginder Pal Dua ¹	-	-	-	

¹ Mr. Joginder Pal Dua was appointed w.e.f 1st February, 2016

Other than the above, Non Executive Directors have no other pecuniary relationships or transactions with the Company

4c. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Board has a duly constituted Stakeholders Relationship Committee in accordance with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

The Committee specifically looks into the redressal of shareholders complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends, issue of duplicate shares etc.

Mr. Arbind Kumar Jain, Company Secretary acts as the Compliance Officer of the Company. The Board has delegated the process of share transfers to Mr. Arbind Kumar Jain.

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

During the year 2 (two) Stakeholders Relationship Committee meetings were held on 22th May, 2015 and 11th January, 2016.

The composition and attendance of the members of the Stakeholders Relationship Committee are as follows:

Name of the Director	Designation	Committee meeting held during the year/tenure	Committee meeting attended
Mr. Amit Kiran Deb	Chairman	2	2
Mr. Manindra Nath Banerjee	Member	2	2
Mr. Sharan Bansal	Member	2	1
Mr. Devesh Bansal	Member	2	2

4d. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has a duly constituted Corporate Social Responsibility Committee in compliance with Section 135 of the Companies Act, 2013.

The CSR committee has formulated and recommended to the Board, a Corporate Social Responsibility Policy which has been adopted by the Board. The Committee recommends the amount of expenditure to be incurred on CSR activities and monitors the CSR policy from time to time.

During the year 1 (one) Corporate Social Responsibility Committee meeting was held on 1st February, 2016.

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

Name of the Director	Designation	Committee meeting held during the year/tenure	Committee meeting attended
Mr. Manindra Nath Banerjee	Chairman	1	1
Mr. Sajan Kumar Bansal	Member	1	1
Mr. Devesh Bansal	Member	1	1

The Company Secretary is the secretary to this Committee.

Details of CSR activities and amount incurred are given in report of the Board of Directors.

4e. RISK MANAGEMENT COMMITTEE

The Company has voluntarily constituted a Risk Management Committee. The committee identifies risks inherent in any business operations of the Company and provides guidelines to define, measure, report, control and mitigate the identified risks.

The Board has formulated a risk management policy.

During the year 1 (one) Risk Management Committee meeting was held on 23rd July, 2015.

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

Name of the Director	Designation	Committee meeting held during the year/tenure	Committee meeting attended
Mr. Sajan Kumar Bansal	Chairman	1	1
Mr. Manindra Nath Banerjee	Member	1	1
Mr. Sharan Bansal	Member	1	1

The Company secretary is the secretary to this committee.

4f. FINANCE COMMITTEE

The Board has constituted a Finance Committee, inter alia to take care of all the finance matters including availing financial assistance from banks from time to time that may be required in course of business of the Company. This is a non statutory committee.

The Committee comprises of Mr. Sajan Kumar Bansal, Mr. Sharan Bansal, Mr. Devesh Bansal and Mr. Sanjay Kumar Agrawal (CFO).

During the year 12 (twelve) Finance Committee meetings were held.

Report on Corporate Governance (continued)

4g. EXECUTIVE COMMITTEE

The Board has constituted a Executive Committee, inter alia to take decisions on day to day business affairs including participation in tenders, authorizing officials of the Company etc. This is a non statutory committee.

The Committee comprises of Mr. Sajan Kumar Bansal, Mr. Sharan Bansal, and Mr. Sanjay Kumar Agrawal (CFO).

During the year 5 (five) Executive Committee meetings were held.

5. INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 22nd May, 2015, inter alia to discuss the following:

- (a) Evaluation of the performance of Non Independent Directors and the Board of Directors as a Whole.
- (b) Review the performance of Chairperson of the Company.
- (c) Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

Mr Amit Kiran Deb, Mr Manindra Nath Banerjee, Mr. Shyam Bahadur Singh & Mrs. Mamta Binani were present at the meeting. Manindra Nath Banerjee, acted as the chairman of the meeting.

The Company secretary acted as secretary to this meeting.

6. GENERAL BODY MEETINGS

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

Year Ended	Location	Date	Time	No. of special resolutions passed
31.03.2015	Shripati Singhania Hall, Rotary Sadan, 94/2 Jawaharlal Nehru Rd. Kolkata- 700 020, West Bengal	23.09.2015	3.30 PM	-
31.03.2014	MCCI, 15B, Hemant Basu Sarani, Kolkata – 700 001	23.09.2014	11.00 AM	4
31.03.2013	3A. Loudon Street,Kolkata - 700017	21.09.2013	11.00 AM	1

7. POSTAL BALLOT

During the year, the members of the Company have passed a special resolution for approving the Skipper Employee Stock Options Plan 2015 and Grant of Employee Stock Options to the employees of the Company thereunder through Postal Ballot on 7th January, 2016. The Postal ballot was conducted in accordance with the provisions of SEBI (LODR) Regulations, 2015 and the Companies Act, 2013. The Company had offered e-voting facility, through Central Depository Services (India) Limited as an alternate, to enable the shareholder to cast their votes electronically.

The Board had appointed Mr. Manoj Kumar Bantia, a Practicing Company Secretary as the Scrutinizer to conduct the Postal Ballot & Evoting process in a fair and transparent manner.

Details of Voting Pattern

Date of passing of Resolution	Resolution Number	Purpose	Vote in favour of the resolution	Votes against the resolution
7 th January, 2016	1	To approve Skipper Employee Stock Options Plan 2015 and Grant of Employee Stock Options to the employees of the Company thereunder.	82797953 99.50%	408550 0.50%

8. CODE OF CONDUCT

The Code of Conduct for Directors & 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 put on the Company's website www.skipperlimited.com. The Code has been 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 hereunder:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2015-16.

Sajan Kumar Bansal
Managing Director

9. DISCLOSURE OF ACCOUNTING TREATMENT

The Company has followed the prescribed accounting standards in preparation of financial statements. The accounting treatment has been disclosed in the notes to accounts to these financial statements.

10. MEANS OF COMMUNICATION

The quarterly results of the Company are communicated to the stock exchanges immediately after having been considered by the Board. The results for the year under review were published in English in the 'Economic Times/Business Standard/Financial Express/Business Line' and in Bengali in 'Arthik Lipi'.

Financial results, official presentations, press release, transcripts of con call with investors are posted on Company's Website www.skipperlimited.com and are also forwarded to the stock exchanges.

11. GENERAL SHAREHOLDER INFORMATION

- (i) The details of ensuing annual general meeting, book closure date and dividend payment date is provided in the notice to shareholders.
- (ii) Listing on Stock Exchange

Name of Stock Exchange	Address	Stock Code
Bombay Stock Exchange Limited	P J Towers, Dalal Street, Mumbai-400001	538562
National Stock Exchange of India Limited	Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai-400051	SKIPPER

The Company has paid listing fees to the respective stock exchanges.

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

- (iii) Market Price Data & Performance of Company's Share Prices- Monthly closing share price vis-à-vis monthly closing of BSE Sensex and Nifty.

The Equity shares of the Company were listed at BSE Limited with effect from 18th July, 2014 and on NSE w.e.f 27th May, 2015. The details of prices data of shares traded at BSE & NSE are given below:

Month	NSE					BSE				
	High Price (₹)	Low Price (₹)	Closing Price at NSE (₹)	Volume (No.)	Nifty Closing	High Price (₹)	Low Price (₹)	Closing Price at BSE (₹)	Volume (No.)	Sensex Closing
April, 2015	-	-	-	-	8181.50	188.00	143.00	150.40	4,40,678	27,011.31
May, 2015	178.00	167.05	168.50	12,857	8433.65	178.00	126.60	169.80	3,90,617	27,828.44
June, 2015	176.00	150.00	168.85	1,02,965	8368.50	172.90	148.00	168.10	1,81,575	27,780.83
July, 2015	200.00	162.10	168.20	3,06,626	8532.85	181.00	165.00	167.90	3,11,613	28,114.56
August, 2015	173.80	120.10	139.20	3,96,677	7971.30	172.30	116.00	138.80	2,92,093	26,283.09
September, 2015	153.00	117.00	144.40	2,01,100	7948.90	155.20	118.00	144.30	2,08,220	26,154.83

Report on Corporate Governance (continued)

Month	NSE					BSE				
	High Price (₹)	Low Price (₹)	Closing Price at NSE (₹)	Volume (No.)	Nifty Closing	High Price (₹)	Low Price (₹)	Closing Price at BSE (₹)	Volume (No.)	Sensex Closing
October, 2015	169.70	140.25	156.70	6,75,194	8065.80	170.30	142.40	157.00	10,52,104	26,656.83
November, 2015	177.00	149.25	167.45	5,73,475	7935.25	177.00	150.00	165.30	1,55,126	26,145.67
December, 2015	184.40	150.10	166.45	8,56,362	7946.35	176.00	151.00	166.30	2,13,660	26,117.54
January, 2016	219.90	144.00	169.75	1,67,10,437	7563.55	219.90	144.50	169.40	47,58,740	24,870.69
February, 2016	177.00	121.95	125.80	18,74,394	6987.05	177.20	122.00	125.70	10,18,878	23,002.00
March, 2016	154.20	125.10	133.25	33,63,000	7738.40	153.90	124.00	133.60	6,30,446	25,341.86

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

(iv) Registrar and Share Transfer Agents

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

ABS Consultants Private Limited
 Stephen House, Room No. 99, 6th floor,
 4, B B D Bag (East), Kolkata-700 001
 Telephone No.: +91 33 2230 1043
 Fax No. +91 33 2243 0153
 Email: absconsultant@vsnl.net

(v) Share Transfer System

The Company's Registrar transfers the shares within 15 days of receipt of request. Dematerialization/ Rematerialization is done within 15 days of receipt of request along with the shares through the Depository Participant of the shareholder.

(vi) Distribution of shareholding as at 31st March, 2016

Category	No. of shareholders		No. of shares	
	Total	%	Total	%
1-500	6684	85.27	779886	0.76
501-1000	494	6.30	405847	0.40
1001-2000	261	3.33	399375	0.39
2001-3000	108	1.38	276387	0.27
3001-4000	44	0.56	159801	0.16
4001-5000	38	0.48	177198	0.17
5001-10000	60	0.77	453888	0.44
10001- 100000	97	1.24	3512334	3.43
100000 & above	53	0.68	96151746	93.97
Total	7839	100	102316462	100

(vii) Shareholding Pattern

Category	As at 31 st March, 2016	
	No. of shares	% of share capital
Promoters	74050162	72.37
FII/MF/FPI/AIF	4636913	4.53
Body Corporate	15905589	15.55
NRI	589912	0.58
Indian Public	7133886	6.97
Total	10,23,16,462	100.00

viii) Commodity price risk or foreign exchange risk and hedging activities-

Most of our engineering product contracts 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 do hedging on selective basis since the volume of export is much more, thereby the balance are getting hedged by way of natural hedging.

(ix) Dematerialization of shares and liquidity:

As at 31st March, 2016, 99.99% of the shares of the Company were held in dematerialized form.

(x) The Company has not issued GDR/ADR/ Warrants or any other convertible instruments.

(xi) Plant Locations

SL Unit 1 & BCTL Unit

Jalan Complex, N H- 6, Village: Jangalpur,
Post: Andul Mouri Howrah-711 302 (West Bengal)

Ahmedabad Unit

Survey No 823, Opposite Rajvi Apartment
Rajoda Village, Pavla, Tal Bavla,
District - Ahmedabad

Sikandrabad Unit

Plot No - 5, UPSIDC, Industrial Area, G.T Road No - 91,
Sikandrabad, Dist - Bulandshahar (U.P.) Pin - 203206

Uluberia Unit

N H- 6, Village: Madhabpur, Post: Uluberia
Howrah-711 303 (West Bengal)

Guwahati Unit

Lohia Industrial Estate, Mouza: Dakhin Rani Kahi
Kuchi Village.Near Railway Gate,
District - Kamrup (Metro) Pin - 781017, Assam

(xii) Address for correspondence

The Company Secretary and Compliance Officer
Skipper Limited
3A, Loudon Street, Kolkata- 700 017
Telephone: +91 33 2289 2327/5731
Fax: +91 33 2289 5733
Email: investor.relations@skipperlimited.com
Website: www.skipperlimited.com

12. DISCLOSURES

- (i) The Company does not have any related party transaction, which may have potential conflict with the interest of the Company. Other related party transactions have been reported in Notes on Accounts in the financial statements for the year. The Register of Contracts containing transactions, in which the Directors are interested, is placed before the Board regularly. The related party transaction policy can be accessed at <http://www.skipperlimited.com/investor-relations/pdf/RELATED-PARTY-TRANSACTIONS-POLICY.pdf>
- (ii) There were no strictures or penalties imposed by either SEBI or Stock Exchanges or any statutory authority for non compliance of any matter relating to the Capital Market during the last 3 years.
- (iii) During the year under review there was no reporting under the Vigil Mechanism/Whistle Blower Policy of the Company and no personnel was denied access to the Audit Committee.
- (iv) The Company has complied with all the mandatory requirements of Corporate Governance and the Company has not adopted non mandatory requirements.
- (v) The Company doesn't have any subsidiary.
- (vi) Commodity Price Risk – Since most of the engineering products contracts are having price escalation & de-escalation clause, the commodity price risk is very negligible.
- (vii) The Company has complied with corporate governance requirements specified in regulations 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (Listing Obligation & Disclosure Requirement) Regulations, 2015.

For and on behalf of the Board of Directors

Sajan Kumar Bansal
Managing Director
Din: 00063555

Devesh Bansal
Director
Din: 00162513

Report on Corporate Governance (continued)

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of the Skipper Limited

We have examined the compliance of conditions of Corporate Governance of M/s SKIPPER LIMITED ("the Company"), for the year ended 31st March 2016, as stipulated in clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15 (2) of the Listing Regulations for the period 1st December 2015 to 31st March, 2016.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement Regulation.

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 Regn No.-302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Dated : 18th May, 2016

CERTIFICATE BY CHIEF EXECUTIVE OFFICER & CHIEF FINANCIAL OFFICER

The Board of Directors
Skipper Limited
3A, Loudon Street
Kolkata- 700017

1. We hereby certify that we have reviewed the financial statement and Cash flow statement for the financial year ended 31st March, 2016 and to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
 - b) 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 2015-2016, which are fraudulent, illegal or violate of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors those deficiencies, of which we are aware, in the design and operation of the internal control systems and that we have taken the required steps to rectify those deficiencies.
4. We have indicated, wherever applicable, to the Auditors and the Audit Committee:
 - a) Significant changes in internal control over financial reporting during the year,
 - b) Significant changes in accounting policies during the year and that the same has been disclosed in the notes to the financial statement and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

Place : Kolkata
Dated : 18th May, 2016

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 financial statements of **SKIPPER LIMITED** ('the Company'), which comprise the Balance Sheet as at 31st March 2016, 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 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 31st March 2016 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;

- 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 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2016 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.

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

Rajiv Singhi
Partner
Membership No. 053518

Place: Kolkata
Date :18th day of May, 2016

Annexure to the Independent Auditor's Report

ANNEXURE - A

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 31st March 2016, 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 generally 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 31st March 2016 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, 2016 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
		2.63	2011-12 & 2012-13	Joint Commissioner of Commercial Taxes, Kolkata
Central Sales Tax Act, 1956	Central Sales Tax	14.50	2005-06 & 2006-07	West Bengal Com. Taxes Appellate & Revisional Board
		39.15	2006-07, 2011-12 & 2012-13	Joint Commissioner of Commercial Taxes, Kolkata

Name of the statute	Nature of dues	Amount ₹ in million)	Year	Forum where dispute is pending
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	0.37	2005-06	Customs, Excise & Service Tax Appellate Tribunal, Kolkata
		5.72	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 give 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

Rajiv Singhi
Partner
Membership No. 053518

Place: Kolkata
Date :18th day of May, 2016

Annexure to the Independent Auditor's Report (continued)

ANNEXURE - B

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 2016 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.

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 31st March 2016, 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

Rajiv Singhi

Partner

Membership No. 053518

Place: Kolkata

Date :18th day of May, 2016

Balance Sheet

as at 31st March, 2016

(₹ in million)

Particulars	Note No	As at 31-03-2016		As at 31-03-2015					
EQUITY AND LIABILITIES									
SHAREHOLDERS' FUNDS									
Share Capital	2	102.32		102.32					
Reserves & Surplus	3	3,712.91	3,815.23	2,936.34	3,038.66				
NON-CURRENT LIABILITIES									
Long-Term Borrowings	4	1,983.22		1,706.93					
Deferred Tax Liabilities (Net)	5	314.77		264.66					
Long-Term Provisions	6	13.46	2,311.45	2.14	1,973.73				
CURRENT LIABILITIES									
Short-Term Borrowings	7	2,419.41		1,724.08					
Trade Payables	8								
Dues of Micro and Small Enterprises		11.63		2.31					
Dues of Other Creditors		2,112.17		2,412.72					
Other Current Liabilities	9	1,039.48		1,277.33					
Short-Term Provisions	10	193.21	5,775.90	208.07	5,624.51				
TOTAL:			11,902.58		10,636.90				
ASSETS									
NON-CURRENT ASSETS									
Fixed Assets	11								
Tangible Assets		3,839.96		3,500.77					
Intangible Assets		12.46		11.90					
Capital Work-In-Progress		399.46		34.68					
		4,251.88		3,547.35					
Long-Term Loans and Advances	12	21.78	4,273.66	30.60	3,577.95				
CURRENT ASSETS									
Inventories	13	2,499.87		2,282.40					
Trade Receivables	14	3,723.67		3,757.81					
Cash and Cash Equivalents	15	497.96		560.94					
Short-Term Loans and Advances	16	907.42	7,628.92	457.80	7,058.95				
TOTAL:			11,902.58		10,636.90				

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

Rajiv Singhi

Partner

Membership No. 53518

Sajan Kumar Bansal

Managing Director

DIN - 00063555

Devesh Bansal

Director

DIN - 00162513

Place : Kolkata

Dated : 18th May, 2016

Sanjay Kumar Agrawal

Chief Financial Officer

Arbind Kumar Jain

Company Secretary

Statement of Profit & Loss

for the year ended 31st March, 2016

Particulars	Note No	Year ended	(₹ in million)
		31-03-2016	Year ended 31-03-2015
A. INCOME			
Revenue from Operations	17		
Gross Revenue from Operations		16,067.17	14,247.90
Less: Excise Duty		1,004.94	1,119.93
Net Revenue from Operations		15,062.23	13,127.97
Other Income	18	51.66	16.56
TOTAL		15,113.89	13,144.53
B. EXPENDITURE			
Cost of Materials Consumed	19	9,538.05	8,550.87
Change in Stock of Finished Goods & Work-In-Progress	20	(53.11)	246.46
Employee Benefit Expense	21	499.62	340.98
Finance Costs	22	570.04	582.57
Depreciation & Amortisation Expenses	11	241.15	219.92
Other Expenses	23	2,885.18	1,838.05
TOTAL		13,680.93	11,778.85
C. PROFIT BEFORE TAX (A-B)			
Tax Expenses		1,432.96	1,365.68
Current Tax		429.93	423.89
Tax adjustments for earlier years		1.62	0.75
Deferred Tax		50.11	49.33
D. TOTAL TAX EXPENSE		481.66	473.97
PROFIT AFTER TAX (C-D)		951.30	891.71
Basic & Diluted Earning Per Share of ₹ 1 each	35	9.30	8.72

Significant Accounting Policies

1

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

As per our report annexed

For and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Regn No.-302049E

Rajiv Singhi

Partner

Membership No. 53518

Place : Kolkata

Dated : 18th May, 2016

Sajan Kumar Bansal

Managing Director

DIN - 00063555

Devesh Bansal

Director

DIN - 00162513

Sanjay Kumar Agrawal

Chief Financial Officer

Arbind Kumar Jain

Company Secretary

Cash Flow Statement

for the year ended 31st March, 2016

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	1,432.96	1,365.68
Adjustment for		
Depreciation	241.15	219.92
Irrecoverable Debts/Advances Written Off (net)	57.89	40.38
(Profit)/Loss on Sale of Fixed Assets	4.03	4.05
Employee Share-Based Payments (Refer note no.38)	0.46	-
Finance Costs	570.04	582.57
Interest Received	(43.63)	(15.05)
Operating profit before Working Capital Changes	2,262.90	2,197.55
Changes in Working Capital:		
(Increase)/decrease in Trade and other receivables	(570.82)	(1,554.76)
(Increase)/decrease in Inventories	(217.47)	7.71
Increase/(decrease) in Trade and other payables	(376.24)	1,425.79
Cash Generated from Operations	1,098.37	2,076.29
Direct taxes paid	(454.85)	(338.13)
NET CASH GENERATED /(USED IN) OPERATING ACTIVITIES	A	643.52
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,005.47)	(328.85)
Sale proceeds of Fixed Assets	32.45	8.98
Interest Received	61.39	3.48
NET CASH GENERATED /(USED IN) INVESTING ACTIVITIES	B	(911.63)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Finance Costs	(565.06)	(575.99)
Dividend paid including dividend distribution tax	(160.09)	(17.95)
Proceeds from Long-Term Borrowings	731.52	700.28
Repayment of Long-Term Borrowings	(573.48)	(1,235.20)
Increase/(decrease) in Short-Term borrowings	695.33	(31.41)
NET CASH GENERATED /(USED IN) FINANCING ACTIVITIES	C	128.22
NET INCREASE/(DECREASE) IN CASH & CASH EQUIVALENTS	A+B+C	(139.89)
ADD: OPENING CASH & CASH EQUIVALENTS		286.36
		146.47
CLOSING CASH & CASH EQUIVALENTS*		146.47
		286.36

- *1. Closing Cash and Cash Equivalents represent balances of cash and cash equivalents as indicated in Note 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

Rajiv Singhi
Partner
Membership No. 53518

Sajan Kumar Bansal
Managing Director
DIN - 00063555

Devesh Bansal
Director
DIN - 00162513

Place : Kolkata
Dated : 18th May, 2016

Sanjay Kumar Agrawal
Chief Financial Officer

Arbind Kumar Jain
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 REVENUErecognition

(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.

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 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.

Notes to Financial Statement (continued)

- (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 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 / unwound 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 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

Notes to Financial Statement (continued)

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.

2. SHARE CAPITAL

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
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

2.2 The Reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31-03-2016		As at 31-03-2015	
	No of Shares	%	No of Shares	%
Equity Shares at the beginning of the year	102,316,462		102,316,462	
Add: Equity Shares issued during the year		-	-	-
Equity Shares At the end of the year	102,316,462		102,316,462	

2.3 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.

2.4 Details of shareholders holding more than 5% shares :

Name of Shareholders	As at 31-03-2016		As at 31-03-2015	
	No of Shares	%	No of Shares	%
Mr. Sajan Kumar Bansal	8,243,796	8.06	8,248,596	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 (Formerly known as "Rama Consultancy Company (1993) Limited")	22,050,000	21.55	22,050,000	21.55

- 2.5 The Company does not have any Holding Company.
- 2.6 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.
- 2.7 None of the securities are convertible into shares at the end of the reporting period.
- 2.8 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.
- 2.9 There are no calls unpaid by Directors / Officers.
- 2.10 The Company has not forfeited any shares.

3. RESERVES AND SURPLUS

(₹ in million)

Particulars	As at 31-03-2016	As at 31-03-2015
Revaluation Reserve		
As per Last Account	38.60	38.60
Less: Depreciation on Revalued Fixed Assets transferred to General Reserve	1.57	37.03
Securities Premium Account		
As per Last Account	1,110.43	1,110.43
Capital Reserve		
As per Last Account	7.91	7.91
Less: Adjusted during the year	2.79	5.12
Employee's Stock Options Outstanding		
As per Last Account	-	-
Add: Option issued during the year	0.46	-
Less: Option lapsed/forfeited during the year	-	0.46
General Reserve		
As per Last Account	250.00	120.00
Add: Transferred from Surplus in the Statement of Profit & Loss	148.43	134.72
Less: Amount arising out of transitional provision as per part C of Schedule II of the Companies Act, 2013	-	4.72
Add: Depreciation on Revalued Fixed Assets transferred from Revaluation Reserve	1.57	400.00
Surplus in the Statement of Profit and Loss		
As per Last Account	1,529.40	932.50
Add: Profit for the year	951.30	891.71
Amount Available for Appropriation	2,480.70	1,824.21
Less: Appropriations		
Transfer to General Reserve	148.43	134.72
Proposed Dividend on Equity Shares (Refer note no. 36)	143.24	133.01
Corporate Tax on Dividend (Refer note no. 36)	29.16	2,159.87
Total	3,712.91	2,936.34

Notes to Financial Statement (continued)

4. LONG TERM BORROWINGS		(₹ in million)	
Particulars		As at 31-03-2016	As at 31-03-2015
SECURED LOANS			
Term Loan from Banks			
Rupee Term Loans		434.91	742.38
Foreign Currency Term Loans		479.99	346.46
		914.90	1,088.84
Less: Current maturities of term loan		148.81	766.09
		148.81	316.98
			771.86
Term Loans			
From Bodies Corporate		185.90	-
Less: Current maturities of term loan		9.30	176.60
Buyers Credit from Banks			
For Capital Expenditure		101.78	-
Less: Current maturities of buyer's credit		101.78	-
Hire purchase loans			
Hire purchase loans from banks		32.78	44.48
Less :Current maturities of loans		14.71	18.07
Hire purchase loans from others		4.24	-
Less :Current maturities of loans		0.55	3.69
UNSECURED LOANS			
Loans from Related Parties		107.65	57.96
Term Loans			
From Bodies Corporate		119.58	238.96
Less: Current maturities of loans		-	119.58
From Banks		50.47	54.18
Less: Current maturities of loans		4.18	46.29
Inter corporate Loans		745.25	620.09
Total		1,983.22	1,706.93

Secured Loans are covered as follows :

- 4.1 Rupee Term Loans from Banks of ₹ 27.50 million (Previous Year ₹ 64.17 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 unit 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 ₹ 207.41 million (Previous Year ₹ 491.33 million) and foreign currency term loans of ₹ 479.99 million (Previous Year ₹ 346.46 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 unit both present and future, excluding those assets for which there is an exclusive charge of other lenders.
- 4.3 Rupee Term Loans from Banks of ₹ 200.00 million (Previous Year ₹ 186.88 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 unit both present and future, excluding those assets for which there is an exclusive charge of other lenders.

- 4.4 Rupee Term Loan from Body Corporate of ₹ 185.90 million (Previous Year: ₹ Nil) is secured by way of first pari-passu charge on plant & machinery of PVC units situated at Ahmedabad, Guwahati, Hyderabad & Sikandrabad.
- 4.5 Vehicle loans from Banks of ₹ 32.78 million (Previous Year ₹ 44.48 million) and ₹ 4.24 million (Previous Year ₹ Nil) from Others are secured against hypothecation of respective fixed assets financed by them.
- 4.6 Repayment schedule as on 31st March, 2016 is as follows:

Year of Repayment	(₹ in million)					
	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
2016-17	40.95	9.30	209.64	15.26	-	4.18
2017-18	141.26	37.18	144.66	11.28	59.79	4.69
2018-19	125.21	37.18	109.75	6.19	59.79	5.28
2019-20	87.50	37.18	73.26	3.55	-	5.93
2020-21	39.99	37.18	44.46	0.74	-	6.67
2021-22	-	27.88	-	-	-	7.49
2022-23	-	-	-	-	-	8.42
2023-24	-	-	-	-	-	7.81
	434.91	185.90	581.77	37.02	119.58	50.47

4.7 Loans from related parties of ₹ 107.65 million (Previous year ₹ 57.96 million) and loans from other body corporate of ₹ 745.25 million (Previous year ₹ 620.09 million), being long term in nature, have not been considered in the above repayment schedule.

4.8 Interest Rates:

- (i) Rupee Term Loan from Banks carries interest ranging from base rate plus 1.30% to base rate plus 3%, Rupee Term Loan from Body Corporates carries interest of SBI base rate plus 1.30% and Foreign currency Term Loans from Banks bear interest from 3 months libor plus 250 bps to 6 months libor plus 300 bps
- (ii) Vehicle Loan from Banks carries interest between 9.35 % to 12% p.a.
- (iii) Unsecured Loan from Body corporates 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 million)		
	As at 31-03-2016	During the year	As at 31-03-2015
Deferred tax liability :			
Difference between book and tax depreciation	317.35	52.69	264.66
Less: Deferred Tax Assets :			
Employee's Separation and Retirement Expenses	2.58	2.58	-
Total	314.77	50.11	264.66

6. LONG-TERM PROVISIONS

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
Provision for employee benefits		
-Gratuity	10.88	-
-Leave encashment	2.58	2.14
Total	13.46	2.14

Notes to Financial Statement (continued)

7. SHORT TERM BORROWINGS		(₹ in million)	
Particulars		As at 31-03-2016	As at 31-03-2015
SECURED LOANS			
Working Capital Facilities from Banks			
Cash Credit		1,490.56	1,522.48
Buyers Credit from Banks			
For operational use		336.84	201.60
UNSECURED LOANS			
Short-term borrowings from Banks		592.01	-
Total		2,419.41	1,724.08
7.1 Working Capital and Buyers Credit are secured by first charge on current assets and second charge on fixed assets of Jangalpur and Uluberia Units of the Company and also by personal guarantees of some of the directors of the Company.			
8. TRADE PAYABLES		(₹ in million)	
Particulars		As at 31-03-2016	As at 31-03-2015
Micro Small and Medium Enterprises (Refer note no. 31)		11.63	2.31
Others		2,112.17	2,412.72
Total		2,123.80	2,415.03
9. OTHER CURRENT LIABILITIES		(₹ in million)	
Particulars		As at 31-03-2016	As at 31-03-2015
Current maturities of Long-Term Debt including unsecured Loans		264.07	380.49
Current maturities of Hire Purchase Loans from Banks & Others		15.26	17.10
Advance from Customers		610.73	761.12
Liability for Capital Expenditure		44.43	76.54
Interest accrued but not due		1.37	13.57
Interest accrued and due		17.18	-
Unpaid dividend		0.09	0.07
Other payables (including statutory and employee related liability)		86.35	28.44
Total		1,039.48	1,277.33
10. SHORT TERM PROVISIONS		(₹ in million)	
Particulars		As at 31-03-2016	As at 31-03-2015
Provision for Income Tax (Net of Advance Tax and TDS)		16.42	39.71
Provision for employee benefits			
-Gratuity		3.81	-
-Leave encashment		0.58	8.27
Proposed Dividend		143.24	133.01
Tax on Dividend		29.16	27.08
Total		193.21	208.07

11. FIXED ASSETS							(₹ in million)
Description	GROSS BLOCK			DEPRECIATION & AMORTISATION			NET BLOCK
	As at 01-04-2015	Additions	Deductions	As at 31-03-2016	As at 31-03-2015	For the year	Deductions
TANGIBLES:							
Land and Land Development	340.92	10.45	16.90	334.47	-	-	-
Buildings	1,218.10	39.62	-	1,257.72	163.57	40.35	-
Plant and Machinery	2,622.69	534.66	31.59	3,125.76	575.94	183.84	13.80
Furniture and Fixtures	27.34	15.68	-	43.02	10.42	3.24	-
Vehicles	63.02	11.99	7.95	67.06	21.37	9.30	6.16
Sub-total (A)	4,272.07	612.40	56.44	4,828.03	771.30	236.73	19.96
INTANGIBLES:							
Computer software	22.93	4.98	-	27.91	11.03	4.42	-
Sub-total (B)	22.93	4.98	-	27.91	11.03	4.42	-
Grand Total (A+B)	4,295.00	617.38	56.44	4,855.94	782.33	241.15	19.96
Previous year	3,943.19	367.62	15.81	4,295.00	558.04	219.92	2.77
Capital Work in Progress							-
							34.68
							34.68

Notes:

11.1 Land and Building were revalued in 1996-1997 on the basis of valuation report by approved valuer on the basis of replacement value and the resultant surplus thereon amounting to ₹ 43.52 million was transferred to revaluation reserve.

11.2 Land includes certain properties in respect of which conveyance deeds are pending execution.

11.3 Fixed assets include assets acquired on finance :

	As at 31-03-2016			As at 31-03-2015	(₹ in million)
	Gross Block	Net Block	Gross Block	Net Block	
-From Banks	64.33	55.12	70.55	40.88	
-From Others	5.58	5.02	Nil	Nil	

Notes to Financial Statement (continued)

12. LONG TERM LOANS AND ADVANCES

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
(Unsecured , Considered Good)		
Advances for Capital Goods	21.78	30.60
Total	21.78	30.60

13. INVENTORIES

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
(As taken, valued and certified by the management)		
Raw Materials	1,003.49	945.42
Stores and Spare Parts	150.93	127.41
Work-In-Process	392.04	902.79
Finished Goods	928.04	288.93
Scrap and Waste	25.37	17.85
Total	2,499.87	2,282.40

14. TRADE RECEIVABLES

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
(Unsecured, Considered good)		
Debts outstanding for a period exceeding six months	128.44	146.53
Other Debts	3,595.23	3,611.28
Total	3,723.67	3,757.81

15. CASH AND CASH EQUIVALENTS

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
CASH AND CASH EQUIVALENTS		
Cash on hand (as certified)	2.57	2.83
Cheques in hand	-	240.48
Balances with Scheduled Banks		
-In Current Accounts	78.21	3.21
-In Deposits with less than three months initial maturity*	65.69	39.84
	143.90	43.05
	146.47	286.36
OTHER BANK BALANCES		
In Deposits with more than three months initial maturity *	351.49	274.58
* Pledged against guarantees and letters of credit issued by banks		
Total	497.96	560.94

16. SHORT TERM LOANS AND ADVANCES

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
(Unsecured, Considered Good)		
Balances with Government Authorities	524.78	54.95
Security & Other Deposits	49.51	21.12
Other Advances	333.13	381.73
Total	907.42	457.80

17. REVENUE FROM OPERATIONS

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
Sale of Goods		
	15,211.11	13,217.66
Income From Job Work	140.76	135.32
Income from Infrastructure Projects	276.58	469.22
Other Operational Revenues	438.72	425.70
Total	16,067.17	14,247.90

Particulars of Sale

Engineering Products	13,553.00	12,194.69
PVC Products	1,658.11	1,022.97
Total	15,211.11	13,217.66

18. OTHER INCOME

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
Interest	43.63	15.05
Miscellaneous Income	8.03	1.51
Total	51.66	16.56

19. COST OF MATERIALS CONSUMED

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
Cost of Materials (including conversion charges and procurement expenses)	9,538.05	8,550.87

19.1 Consumption of Imported & Indigenous Raw Materials

Particulars	Year ended 31-03-2016		Year ended 31-03-2015	
	Amount	%	Amount	%
Indigenous	8,784.93	92.10	8,067.10	94.34
Imported	753.12	7.90	483.77	5.66
Total	9,538.05	100.00	8,550.87	100.00

Notes to Financial Statement (continued)

19.2 Particulars of Materials Consumed

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
Steel Products	7,927.31	7,205.27
Zinc	850.24	782.23
PVC Resin	744.90	527.39
Others	15.60	35.98
Total	9,538.05	8,550.87

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		(₹ in million)	
Particulars	Year ended 31-03-2016	Year ended 31-03-2015	
Opening Stock :			
Work-in-Process	902.79	1,017.83	
Finished Goods	288.93	427.48	
Scrap and Waste	17.85	1,209.57	25.96
Less: Closing Stock			
Work-in-Process	392.04	902.79	
Finished Goods	928.04	288.93	
Scrap & Waste	25.37	1,345.45	17.85
(Increase)/Decrease in Stock	(135.88)	1,209.57	261.70
Increase/(Decrease) in Excise Duty on Finished Goods	82.77	(15.24)	
Total	(53.11)		246.46

21. EMPLOYEE BENEFIT EXPENSES		(₹ in million)	
Particulars	Year ended 31-03-2016	Year ended 31-03-2015	
Salaries, Wages, Bonus and Allowances	372.43	280.92	
Directors' Remuneration	75.52	36.34	
Contribution to Provident and Other Funds	38.54	13.90	
Employee Share-Based Payments (Refer note no.38)	0.46	-	
Workmen and Staff Welfare Expenses	12.67	9.82	
Total	499.62	340.98	

22. FINANCE COSTS		(₹ in million)	
Particulars	Year ended 31-03-2016	Year ended 31-03-2015	
Interest Expense	554.07	582.57	
Exchange Differences arising from Foreign Currency Borrowings to the extent regarded as an adjustment to Interest Costs	15.97	-	
Total	570.04	582.57	

23. OTHER EXPENSES

(₹ in million)

Particulars	Year ended 31-03-2016	Year Ended 31-03-2015
MANUFACTURING AND PROJECT EXPENSES		
Consumption of Stores and Spare Parts (Including imported materials ₹ 5.54 million (1.63%) {(Previous year ₹ 3.48 million (1.22%)})	340.78	284.84
Power and Fuels	452.68	524.53
Labour Charges & Project Expenses	605.04	432.32
Repairs to Machinery	71.77	62.79
Repairs to Building	14.12	12.09
Miscellaneous Expenses	94.79	1,579.18
		23.97 1,340.54
ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Rent and Hire Charges	34.48	16.09
Rates and Taxes	12.33	7.59
Insurance	13.68	4.84
Electricity Charges	3.03	2.20
Travelling and Conveyance Expenses	52.17	43.39
Communication Expenses	7.79	6.03
Bank Charges and Commission	78.13	121.74
Freight, Packing and Handling Expenses (net)	393.08	44.54
Legal and Professional Expenses	43.02	31.60
Other Maintenance Expenses	35.46	35.14
Security Service Expenses	24.81	20.00
Advertisement and Sales Promotion Expenses	109.62	45.43
Commission	78.75	15.17
Discount	54.23	33.04
Exchange Difference arising in Foreign Currency Transactions and Translation	121.25	(19.36)
Loss on sale of Fixed Assets	4.03	4.05
Irrecoverable Debts/Advances Written Off (net)	60.68	40.38
Charity and Donations	-	3.05
Corporate Social Responsibility	14.38	5.84
Auditors' Remuneration (Refer note no. 23.1)	1.45	1.11
Miscellaneous Expenses (Refer note no. 23.2)	163.63	1,306.00
Total	2,885.18	35.64 497.51 1,838.05

23.1 Auditors' Remuneration includes:

(₹ in million)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Statutory Audit Fees	1.00	0.70
Certification	0.45	0.41
Total	1.45	1.11

Notes to Financial Statement (continued)

23.2 Miscellaneous expenses includes:

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
Sitting Fee to Directors	0.62	0.22
Commission to Independent Directors	0.40	-
Total	1.02	0.22

24. CONTINGENT LIABILITIES NOT PROVIDED IN RESPECT OF

Particulars	(₹ in million)	
	As at 31-03-2016	As at 31-03-2015
Claims against the Company not acknowledged as debt Disputed tax/duties (Advance paid ₹ 10.01 million)	166.92	201.52

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.

25. Estimated amount of contracts pending execution on capital account net of advances of ₹ 21.78 million (previous year ₹ 30.60 million) and not provided for is ₹ 90.50 million (Previous year ₹ 67.19 million).

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	Note	(₹ in million)	
		Year ended 31-03-2016	Year ended 31-03-2015
(a) Gross amount required to be spent by the Company during the year		13.43	5.27
(b) Amount spent during the year on:-			
		Amount paid	Amount yet to be paid
(i) Construction /acquisition of any asset		-	-
(ii) Promotion of Education		0.49	0.03
(iii) Eradicating Hunger and Poverty		-	0.11
(iv) Promoting Healthcare including Preventive Healthcare		0.17	-
(v) Contribution to Prime Minister's National Relief Fund		0.10	0.50
(vi) Contribution for promotion of education		2.50	2.00
(vii) Contribution for improvement of child health		-	0.10
(viii) Contribution to Trust Controlled by the Company towards health care & education		3.00	3.00
(ix) Contribution to Trust Controlled by the Company towards skill development		5.00	-
(x) Contribution for welfare of handicapped persons		-	0.10
(xi) Contribution for Animal Welfare		2.00	-
(xii) Contribution for Art & Culture		0.80	-
(xiii) Contribution for Road Safety		0.32	-
Total		14.38	5.84

- 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 ₹ 181.37 million (Previous year ₹ 420.13 million) towards the derivative 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.
- 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	(₹ in million)	
	2015-16	2014-15
Principal amount remaining unpaid as at 31 st March (Not Due)	11.63	2.31
Interest amount remaining unpaid as at 31 st March	Nil	Nil
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
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
Interest accrued and remaining unpaid as at 31 st March	Nil	Nil
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	(₹ in million)	
	2015-16	2014-15
(i) Contract revenue recognized for the year	276.58	469.22
(ii) Aggregate amount of contract costs incurred and recognized profits (less recognized losses) upto the Reporting date	818.93	583.26
(iii) Amount of customer advances outstanding for contracts in progress as at March 31	Nil	Nil
(iv) Retention amounts due from customers for contracts in progress as at March 31	78.34	22.22
(v) Unbilled revenues included under Sundry Debtors	8.56	75.49
(vi) Unearned revenue included under sundry creditors	Nil	Nil

Notes to Financial Statement (continued)

- 33.** The disclosures required under Accounting Standard 15 “Employees Benefits” notified in the Companies (Accounting Standards) Rules 2006, are given below:

Defined Contribution Plan :

Contribution to Defined Contribution Plan, recognised are charged off for the year are as under:

Particulars	2015-16	2014-15
Contribution to Provident and other funds:		
Employer's Contribution to Provident Fund	9.69	2.85
Employer's Contribution to Pension Scheme	6.14	5.85
Employees Deposit Linked Insurance	0.64	0.38
Workmen and Staff Welfare Fund:		
Employees State Insurance Corporation	5.42	3.80
Labour Welfare Fund	0.03	0.02
Total	21.92	12.90

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	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-2016	2014-2015	2015-2016	2014-2015
(a) Reconciliation of opening and closing balances of Defined Benefit obligation				
Defined benefit obligation at beginning of the year	7.73	8.56	2.74	1.64
Current service cost	4.51	0.68	6.29	2.02
Interest cost	1.29	0.74	0.24	0.17
Actuarial (gain)/loss	11.84	(1.55)	16.58	8.15
Benefits paid	(0.90)	(0.70)	(22.68)	(9.24)
Defined benefit obligation at year end	24.47	7.73	3.17	2.74
(b) Reconciliation of opening and closing balances of fair value of plan assets				
Fair value of plan assets at beginning of the year	8.68	7.84	-	-
Expected return on plan assets	1.10	0.66	-	-
Actuarial gain/(loss)	(0.36)	-	-	-
Employer contribution	1.26	0.88	22.68	9.24
Benefits paid	(0.90)	(0.70)	(22.68)	(9.24)
Fair value of plan assets at year end	9.78	8.68	-	-
Actual return on plan assets	0.74	0.66	-	-

(₹ in million)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2015-2016	2014-2015	2015-2016	2014-2015
(c) Reconciliation of fair value of assets and obligations				
Fair value of plan assets as at 31 st March	9.78	8.68	-	-
Present value of obligation as at 31 st March	24.47	7.73	3.17	2.74
Net asset/(liability) recognized in Balance Sheet*	(14.69)	0.95	(3.17)	(2.74)
(d) Expenses recognized during the year				
Current service cost	4.51	0.68	6.29	2.02
Interest cost	1.29	0.74	0.24	0.17
Expected return on plan assets	(1.10)	(0.66)	-	-
Actuarial (gain) / loss	12.20	(1.55)	16.58	8.15
Net cost	16.90	(0.79)	23.11	10.34

Investment details

L.I.C. Group Gratuity (Cash Accumulation Policy)-% of invested funds	100	100	Nil	Nil
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Actuarial assumptions:

Mortality table (L.I.C.)	1994-96 (ultimate)	1994-96 (ultimate)	Indian Assured Lives Mortality (2006 - 08)
Discount rate (per annum)	8.00%	8.00%	8.00%
Expected rate of return on plan assets (per annum)	8.00%	9.00%	-
Rate of escalation in salary (per annum)	3.00%	3.00%	3.00%

*Net asset on account of Gratuity Fund as at the end of previous year was not recognized in the Financial Statement. 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, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is as given by the Life Insurance Corporation of India (LIC) and as per certain estimates made by the management, which had been accepted by the auditor.

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 & Ahmedabad with a lock-in-period of 36 months from start of lease period. There is no escalation clause in the lease agreement except in case of land taken on lease for units located in Ahmedabad, Guwahati, Hyderabad & Sikandrabad. There are no restrictions imposed by lease agreements. These lease agreements are normally renewed on expiry.

Particulars	(₹ in million)	
	Year ended 31-03-2016	Year ended 31-03-2015
Lease payments for the year	22.03	10.90

Notes to Financial Statement (continued)

35. EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computation

Particulars	₹ in million, except number of shares)	
	Year ended	Year ended
	31-03-2016	31-03-2015
Profit After Taxation as per Statement of Profit & Loss	(a)	951.30
Weighted-average Number of Equity Shares for computing basic EPS	(b)	102,316,462
Add, Dilutive Impact of Employee Stock Options Scheme		2,976
Weighted-average Number of Equity Shares for computing diluted EPS	(c)	102,319,438
Basic EPS -[In ₹]	(a/b)	9.30
Diluted EPS -[In ₹]	(a/c)	9.30
		8.72
		8.72

- 36.** For the year ended 31st March, 2016, the Board of Directors of the Company has recommended dividend of ₹ 1.40 per share (Previous year ₹ 1.30 per share) to equity shareholders aggregating to ₹ 172.40 million (Previous year ₹ 160.09 million) including Dividend Distribution Tax.

37. VALUE OF IMPORTS CALCULATED ON CIF BASIS

Particulars	₹ in million)	
	Year ended	Year ended
	31-03-2016	31-03-2015
Raw Materials	1,167.01	483.77
Components, Spare Parts and Stores etc.	9.50	3.48
Capital Goods (including Capital Work In Progress)	115.70	94.81

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 20,00,000 (Twenty Lakh) 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. Pursuant to ESOP 2015, Nomination & Remuneration Committee on 9th March, 2016 has granted 410,000 options with a graded vesting schedule of 25% at the end of each year over a period of 4 years conditional on Corporate Performance Matrix as per Plan. All the options granted on any date shall vest 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 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.

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)	Range of Exercise Price	Weighted- Average Exercise Price	Weighted-Average Remaining Contractual life (Years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	410000	100	100	5.24
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at the end of the year	410000	100	100	5.24
Exercisable at the end of the year	-	-	-	-

Fair Valuation:

During the year ended 31st March, 2016, the Company has granted 410,000 options under ESOP 2015. At grant date, the weighted average fair value of stock options granted under ESOP 2015 was ₹ 85.65 for each option. The said fair valuation have been done by an independent valuer using Black and Scholes Model. The details of stock options granted during the year ended 31st March, 2016, and the key assumptions taken into account for fair valuation are as under:

Particulars	ESOP 2015			
	1 st Year	2 nd Year	3 rd Year	4 th Year
Number of Options Granted	4,10,000	-	-	-
Vest Percent (%)	25	25	25	25
Options Vesting Date	1 st June, 2017	1 st June, 2018	1 st June, 2019	1 st June, 2020
Exercise Price (₹)	100.00	100.00	100.00	100.00
Fair Value per vest (₹)	78.25	83.83	88.39	92.11
Risk-Free Interest Rate (%)	7.56	7.61	7.6	7.61
Life of Options Granted	3.73	4.73	5.74	6.74
Expected Volatility	55.86	55.86	55.86	55.86
Expected Dividend Yield (%)	0.93	0.93	0.93	0.93

The expected volatility was determined based on the historical share price volatility over the past period depending on life of the options granted.

For the year ended 31st March, 2016, the Company determined ₹ 0.46 million (Previous year ₹ Nil) as amortized compensation cost for stock 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:

(₹ in million)	
Particulars	Year ended 31-03-2016
Reported Net Profit for the period	951.30
Add: Compensation Cost under ESOP as per Intrinsic Value	0.46
Less: Compensation Cost under ESOP as per Fair Value	0.91
Proforma Net Profit for the period	950.85
Basic Earnings Per Share	
As Reported	9.30
Proforma	9.29
Diluted Earnings Per Share	
As Reported	9.30
Proforma	9.29

Notes to Financial Statement (continued)

39. SEGMENT INFORMATION FOR THE YEAR ENDED 31ST MARCH, 2016

(A) Primary segments (business segment)

	Year ended 31 st March, 2016				Year ended 31 st March, 2015				(₹ in million)
Reportable Segments	Engineering Products	Infrastructure Projects	Polymer Products	Total	Engineering Products	Infrastructure Projects	Polymer Products	Total	
Revenue									
External Sales/ receipts	14,132.48	276.58	1,658.11	16,067.17	12,800.84	462.41	984.65	14,247.90	
Less: Excise Duty	872.17	-	132.77	1,004.94	1,032.54	-	87.39	1,119.93	
Net Turnover	13,260.31	276.58	1,525.34	15,062.23	11,768.30	462.41	897.26	13,127.97	
Segment Results	1,937.43	42.79	165.09	2,145.31	1,809.11	110.06	102.79	2,021.96	
Unallocated Corporate income / (expenses) (net of expense / income)				(185.94)					(88.76)
Operating Profit				1,959.37					1,933.20
Interest Expenses				570.04					582.57
Interest Income				43.63					15.05
Profit Before Tax				1,432.96					1,365.68
Less: Taxes				481.66					473.97
Profit After Tax				951.30					891.71
Segment Assets	9,234.08	359.85	1,606.78	11,200.71	8,914.27	482.73	632.16	10,029.16	
Unallocated Assets				701.87					607.74
Total Assets				11,902.58					10,636.90
Segment Liabilities	2,437.92	42.93	430.12	2,910.97	3,059.39	293.53	173.62	3,526.54	
Unallocated Liabilities				494.38					243.10
Total Liabilities				3,405.35					3,769.64
Capital Expenditure	513.50	0.60	437.75	951.85	190.31	91.91	41.74	323.96	
Unallocated Capital Expenditure				28.45					15.53
Total Capital Expenditure				980.30					339.49
Depreciation	193.14	7.92	28.87	229.93	171.79	5.97	22.26	200.02	
Unallocated Depreciation				11.22					19.90
Total Depreciation				241.15					219.92

(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 million)	Year ended
	31-03-2016	31-03-2015
Domestic Market	8,501.09	12,581.70
Overseas Market	6,561.14	546.27
Total	15,062.23	13,127.97

- (ii) The following table shows the distribution of the Company's Trade Receivables by Geographical market.

Particulars	(₹ in million)	Year ended
	31-03-2016	31-03-2015
Domestic Market	2,969.69	3,715.28
Overseas Market	753.98	42.53
Total	3,723.67	3,757.81

(C) Other disclosures

There are no inter-segment revenues.

The Engineering Products segment includes Towers, Angles, 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. Names of the related parties and nature of relationship

(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.

- Skipper Realties Limited (Formerly Bansal TMT Steels Limited)
- Skipper Telelink Limited
- Ventex Trade Private Limited
- Skipper Plastics Limited (Formerly Rama Consultancy Company (1993) Limited)
- Suviksit Investments Limited
- Skipper Polypipes Private Limited (Formerly Prakriti Steels Private Limited)
- Skipper Foundation
- Sadhu Ram Bansal Foundation
- Sheo Bai Bansal Charitable Trust

(3) Relatives of key managerial personnel

- | | |
|---------------------------|--|
| (i) Mr. Sadhu Ram Bansal | Father of Mr. Sajan Kumar Bansal (Expired on 27.09.2014) |
| (ii) Mrs. Sumedha Bansal | Wife of Mr. Sharan Bansal |
| (iii) Mrs. Rashmi Bansal | Wife of Mr. Devesh Bansal |
| (iv) Mrs. Shruti M Bansal | Wife of Mr. Siddharth Bansal |

Notes to Financial Statement (continued)

B. The following transactions were carried out with the related parties in the ordinary course of business :

Particulars	2015-16 in relation to item			2014-2015 in relation to item		
	A(1)	A(2)	A(3)	A(1)	A(2)	A(3)
(a) Rendering or receiving of service	75.00	-	-	35.64	-	1.80
(b) Donation given	-	8.00	-	-	5.00	-
(c) Loan taken	108.00	77.40	-	88.12	45.60	4.15
(d) Loan refunded	96.40	39.20	-	377.02	43.52	4.20
(e) Deposits Received	-	-	-	0.50	-	-
(f) Deposits Refunded	-	-	-	0.50	-	-
(g) Rent given	0.14	2.00	0.18	0.06	1.01	0.12
(h) Interest Paid	4.55	3.40	-	-	-	-
(l) Slump purchases	-	40.26	-	-	-	-
(J) Balance Outstanding on 31 st March	68.02	41.02	-	55.04	2.92	-

41. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	Year ended 31-03-2016	(₹ in million)	
		Year ended 31-03-2015	
Interest on ECB Loan	36.10	9.85	
Sales Promotion	8.07	2.47	
Subscription	0.21	0.08	
Tender Fees	0.11	0.01	
Travelling Expenses	7.26	3.52	
Bank Guarantee Commission	7.07	5.05	
Brokerage & Commission	62.57	5.76	
Professional Fees & Consultancy	5.27	1.23	
Insurance	27.02	0.68	
Inspection Fees	0.53	0.91	
Repairs & Maintenance	0.09	Nil	
General Expenses	0.09	Nil	

42. UNHEDGED FOREIGN CURRENCY EXPOSURE

Particulars	As at 31-03-2016		As at 31-03-2015	
	Foreign Currency (in million)	INR Value (in million)	Foreign Currency (in million)	INR Value (in million)
Import payables				
USD	4.88	323.61	Nil	Nil
Foreign Currency loans				
USD	6.66	441.78	Nil	Nil
Buyers Credit Loan				
EUR	0.38	28.70	Nil	Nil
GBP	0.24	23.20	Nil	Nil
USD	5.78	383.41	Nil	Nil
Packing Credit Loan (Net of Foreign Currency Export Receivables)				
USD	10.30	683.08	Nil	Nil

43. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

(₹ in million)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Sales of goods and services (including deemed exports in foreign currency)	7,096.54	546.27

44. F.O.B. VALUE OF EXPORTS

(₹ in million)

Particulars	Year ended 31-03-2016	Year ended 31-03-2015
Export of goods & services calculated on F.O.B. basis	6,230.85	523.12

45. 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 and on behalf of the Board

For **Singhi & Co.**

Chartered Accountants

Firm Regn No.-302049E

Rajiv Singhi

Partner

Membership No. 53518

Sajan Kumar Bansal

Managing Director

DIN - 00063555

Devesh Bansal

Director

DIN - 00162513

Place : Kolkata

Sanjay Kumar AgrawalDated : 18th May, 2016

Chief Financial Officer

Arbind Kumar Jain

Company Secretary



Skipper Limited

CIN: L40104WB1981PLC033408

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