

Report on Corporate Governance

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

1. Company's philosophy on Code of Governance

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

2. Board Composition and Particulars of Directors

a) Board Composition

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

| Sl | Name | Designation | Whether promoter | Whether Executive | Whether Independent |
|----|----------------------------|--------------------|------------------|-------------------|---------------------|
| 1. | Mr. Sadhu Ram Bansal | Emeritus Chairman | Yes | No | No |
| 2. | Mr. Amit Kiran Deb | Chairman | No | No | Yes |
| 3. | Mr. Sajan Kumar Bansal | Managing Director | Yes | Yes | No |
| 4. | Mr. Sharan Bansal | Wholetime Director | Yes | Yes | No |
| 5. | Mr. Devesh Bansal | Wholetime Director | Yes | Yes | No |
| 6. | Mr. Manindra Nath Banerjee | Director | No | No | Yes |
| 7. | Mr. Malay Sengupta | Director | No | No | Yes |
| 8. | Mr. Shyam Bahadur Singh | Director | No | No | Yes |
| 9. | Mr. Siddharth Bansal | Wholetime Director | Yes | Yes | No |

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

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

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

| Sl No | Name of the Director | No. of other directorships and other committee memberships/chairmanships held | | |
|-------|----------------------------|---|-------------------------|-------------------------|
| | | Directorships* | Committee Memberships** | Committee Chairmanships |
| 1. | Mr. Sadhu Ram Bansal | 2 | Nil | Nil |
| 2. | Mr. Amit Kiran Deb | 2 | Nil | Nil |
| 3. | Mr. Sajan Kumar Bansal | 4 | Nil | Nil |
| 4. | Mr. Sharan Bansal | 4 | Nil | Nil |
| 5. | Mr. Devesh Bansal | 4 | Nil | Nil |
| 6. | Mr. Manindra Nath Banerjee | 1 | 2 | 1 |
| 7. | Mr. Malay Sengupta | 2 | Nil | Nil |
| 8. | Mr. Shyam Bahadur Singh | 1 | Nil | Nil |
| 9. | Mr. Siddharth Bansal | Nil | Nil | Nil |

Notes:

1. *includes private companies which are subsidiaries of public companies, but excludes private, foreign, unlimited liability companies and companies registered under Section 25 of the Companies Act, 1956.
 2. ** indicates membership/chairmanship of Audit Committee and Shareholders'/Investors' Grievance Committee.
- c) Number and dates of Board Meeting held during the year

During the year, Ten Board Meetings were held. The dates on which the meetings were held are: 30th May, 2011, 21st June 2011, 1st August, 2011, 11th August, 2011, 21st October, 2011, 7th November 2011, 11th November, 2011, 12th December, 2011, 14th February, 2012 and 31st March, 2012

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

| Sl No. | Name of the Director | Number of Board Meetings held | Attendance Particulars | |
|--------|----------------------------|-------------------------------------|------------------------|-----|
| | | | Board Meetings | AGM |
| 1. | Mr. Sadhu Ram Bansal | 10 | 6 | No |
| 2. | Mr. Amit Kiran Deb | 10 | 10 | Yes |
| 3. | Mr. Sajan Kumar Bansal | 10 | 10 | Yes |
| 4. | Mr. Sharan Bansal | 10 | 8 | Yes |
| 5. | Mr. Devesh Bansal | 10 | 8 | Yes |
| 6. | Mr. Manindra Nath Banerjee | 10 | 4 | Yes |
| 7. | Mr. Malay Sengupta | 10 | 4 | Yes |
| 8. | Mr. Shyam Bahadur Singh | 10 | 4 | Yes |
| 9. | Mr. Siddharth Bansal | 10 | 8 | Yes |

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

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

e) Changes in the composition

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

3. Audit Committee

The Company has reconstituted the audit committee .The constitution of the Committee and attendance of each member of the Committee is given below:

| Sl No | Name of the director | Designation | Committee | Committee Meetings |
|-------|----------------------------|-------------|---------------|--------------------|
| | | | Meetings held | Attended |
| 1. | Mr. Manindra Nath Banerjee | Chairman | Four | Four |
| 2. | Mr. Malay Sengupta | Member | Four | Four |
| 3. | Mr. Shyam Bahadur Singh | Member | Four | Nil* |
| 4. | Mr. Sharan Bansal | Member | Four | Two |

*No meeting held after his appointment as member of Audit Committee

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

The Company Secretary acts as secretary to the committee

4. Remuneration Committee

a) Remuneration Policy

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

b) Details of remuneration paid to Directors

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

| Sl No. | Name of the Director | Designation | Remuneration ₹ |
|--------|------------------------|--------------------|----------------|
| 1. | Mr. Sajan Kumar Bansal | Managing Director | 66,00,000 |
| 2. | Mr. Sharan Bansal | Wholetime Director | 39,60,000 |
| 3. | Mr. Devesh Bansal | Wholetime Director | 39,60,000 |
| 4. | Mr. Siddharth Bansal | Wholetime Director | 15,03,226 |

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

The salient features of terms of appointment are:

| Particulars | Name of the Director | Terms |
|--|---|--|
| Period of appointment | Mr. Sajan Kumar Bansal Mr. Sharan Bansal Mr. Devesh Bansal Mr. Siddharth Bansal | Upto 30 September, 2013 Upto 30 June, 2014 Upto 31 March, 2013 Upto 10 March, 2013 |
| Salary Scale | Mr. Sajan Kumar Bansal Mr. Sharan Bansal Mr. Devesh Bansal Mr. Siddharth Bansal | ₹ 5 lacs per month subject to 10% increase in every year ₹ 3 lacs per month subject to 10% increase in every year ₹ 3 lacs per month subject to 10% increase in every year ₹ 2 Lacs per month subject to 10% increase in every year |
| Minimum remuneration in 198, case of inadequacy XIII of profit in any financial year | The remuneration shall not exceed the limits prescribed from time to time under sections 309, 310 and other applicable provisions of the Companies Act, 1956, read with Schedule of the said Act. | |
| Notice period on either side | Three months' prior notice in writing to the other | |
| Severance fees for termination of employment | Nil | |
| Stock Options | Nil | |

Non Executive Director

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

| Name of Director | Amount of Sitting Fees ₹ | No. of Shares held |
|----------------------------|--------------------------|--------------------|
| Mr. Manindra Nath Banerjee | 40,000 | Nil |
| Mr. Malay Sengupta | 40,000 | Nil |
| Mr. Shyam Bahadur Singh | 20,000 | Nil |
| Mr. Amit Kiran Deb | Nil | Nil |

5. Shareholders/Investors Grievance Committee

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

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

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

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

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

6. Management Discussion and Analysis

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

7. General Body Meetings

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

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

| Year Ended | Location | Date | Time | No. of special resolutions passed |
|------------|-----------------------------------|------------|----------|-----------------------------------|
| 31.03.2009 | 3A. Loudon Street, Kolkata-700017 | 29.06.2009 | 11.00 AM | 3 |
| 31.03.2010 | 3A. Loudon Street, Kolkata-700017 | 22.07.2010 | 11.00 AM | 2 |
| 31.03.2011 | 3A. Loudon Street, Kolkata-700017 | 28.06.2011 | 11.00 AM | 2 |

8. Disclosure on materially significant related party transaction

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

9. Code of conduct

The Code of Business Conduct and Ethics for Directors and management personnel ('the Code'), as adopted by the Board, is a comprehensive Code applicable to all Directors and management personnel. The copy of the Code has

been put on the Company's website www.skipperlimited.com. The Code has been circulated to all the members of the Board and management personnel and the compliance of the same is affirmed by them annually. A declaration to this effect signed by the CEO of the company is given hereunder:

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management, affirmation that they have complied with the Code of Conduct for Directors and Senior Management Executives in respect of financial year 2011-12.

Sajan Kumar Bansal
Managing Director and CEO

10. Disclosure of Accounting Treatment

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

11. Risk Management

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

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

The Company has not issued any shares during the year

13. CEO/CFO certification

CEO/CFO certificate is separately enclosed to the Report

14. Details of non-compliances

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

15. Means of communication

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

16. General Shareholder Information

Annual General Meeting

| | |
|-----------------------|---|
| Date | 25th September, 2012 |
| Time | 11.00 AM |
| Venue | 3A, Loudon Street, Kolkata-700 017 |
| Financial year | 01 April, 2011 to 31 March, 2012 |
| Book closure date | 23rd September 2012 to 25th September, 2012 |
| Dividend payment date | Your directors have recommended payment of dividend at the rate of Re.0.10 per Equity Share for the financial year 2011-2012. Such dividend, if declared, at the ensuing Annual General Meeting will be paid within thirty days from the date of declaration. |

Listing on stock exchanges

| Name of stock exchange | Address | Stock code |
|-------------------------------------|---|------------|
| The Calcutta Stock Exchange Limited | 7, Lyons Range Kolkata-700 001 | 1029348 |
| U P Stock Exchange Limited | Padam Towers, 14/113, Civil Lines, Kanpur-208 001 | S00010 |

The Company has paid listing fees to the respective stock exchanges upto financial year 2012-2013

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

Market Price Data

The trading in shares of the Company commenced on 23rd June 2011. The monthly high/low market price of the shares traded during the year 2011-12 on Calcutta Stock Exchange Limited are as under:

| Month | Monthly High | Monthly Low |
|-----------------|--------------|-------------|
| | Price ₹ | Price ₹ |
| June 2011 | 20 | 20 |
| July 2011 | 20 | 20 |
| August, 2011 | 20 | 20 |
| September, 2011 | Not traded | Not traded |
| October, 2011 | 20 | 20 |
| November, 2011 | Not Traded | Not Traded |
| December, 2011 | Not Traded | Not Traded |
| January, 2012 | Not Traded | Not Traded |
| February, 2012 | Not Traded | Not Traded |
| March, 2012 | Not Traded | Not Traded |

Registrar and Share Transfer Agents

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

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

Share Transfer System

The Shareholders/Investors Grievance Committee approves transfer of shares in physical mode.

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

Distribution of shareholding as at 31st March, 2012

| Category | No. of shareholders | | No. of shares | |
|-----------------|---------------------|---------------|--------------------|---------------|
| | Total | % | Total | % |
| 1-500 | Nil | Nil | Nil | Nil |
| 501-1000 | Nil | Nil | Nil | Nil |
| 1001-2000 | Nil | Nil | Nil | Nil |
| 2001-3000 | Nil | Nil | Nil | Nil |
| 3001-4000 | Nil | Nil | Nil | Nil |
| 4001-5000 | Nil | Nil | Nil | Nil |
| 5001-10000 | Nil | Nil | Nil | Nil |
| 10001 and above | 47 | 100.00 | 7,04,44,250 | 100.00 |
| Total | | 100.00 | 7,04,44,250 | 100.00 |

Shareholding pattern

| Category | As at 31st March, 2012 | |
|--------------------------|------------------------|--------------------|
| | No. of shares | % of share capital |
| Promoters | 5,05,60,250 | 71.77 |
| Private Corporate Bodies | 14,25,28,000 | 20.20 |
| Indian Public | 56,56,000 | 8.03 |
| Total | 7,04,44,250 | 100.00 |

Shareholdings of directors as at 31st March, 2012

| Name of director | No. of shares held | % of share capital |
|----------------------------|--------------------|--------------------|
| Mr. Sadhu Ram Bansal | 34,86,180 | 4.95 |
| Mr. Amit Kiran Deb | Nil | Nil |
| Mr. Sajan Kumar Bansal | 78,87,520 | 11.20 |
| Mr. Sharan Bansal | 39,97,100 | 5.67 |
| Mr. Devesh Bansal | 29,73,500 | 4.22 |
| Mr. Manindra Nath Banerjee | Nil | Nil |
| Mr. Malay Sengupta | Nil | Nil |
| Mr. Shyam Bahadur Singh | Nil | Nil |
| Mr. Siddharth Bansal | 76,84,500 | 10.91 |

Dematerialization of shares and liquidity

As at 31st March, 2012, all shares of the Company were held in dematerialized form.

Plant Locations

- a) SL unit
Jalan Industrial Complex
N H- VI, Village: Jangalpur, Post: Andul Mour
Howrah-711 302 (West Bengal)
- b) BCTL Unit
Jalan Industrial Complex
N H- VI, Village: Jangalpur, Post: Andul Mour
Howrah-711 302 (West Bengal)
- c) Uluberia Unit
N H- VI, Village: Madhabpur, Post: Mahishrekha
Howrah-711 304 (West Bengal)

Address for correspondence

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

For and on behalf of the Board of Directors

Place: Kolkata
Date: 30th day of May, 2012

Sajan Kumar Bansal
Managing Director

Devesh Bansal
Director

Compliance Certificate on Corporate Governance

The Members of Skipper Limited

We have examined the compliance of the conditions of Corporate Governance by Skipper Limited for the year 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges in India.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the 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 the explanations given to us we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

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 Patanjali & Co.

Chartered Accountants

Firm Regn No. 308163E

Place: Kolkata

Date: 30th day of May, 2012

(Patanjali Sharma)

Partner

Membership No. 14993