

**ANNUAL REPORT
2015-2016**



**ASSOCIATED PIGMENTS LIMITED
18/1A, HINDUSTAN ROAD
KOLKATA - 700 029**

ASSOCIATED PIGMENTS LIMITED
CIN - L24224WB1948PLC017455

BOARD OF DIRECTORS

Shri Ravi Nandan Sahaya
Chairman, Non-Executive

Shri Sanjiv Nandan Sahaya
Managing Director & Chief Executive Officer

Shri Rajnish Gambhir
Executive Director & Chief Financial Officer

Mrs. Pammi Sahaya
Women Non-Executive

Independent Directors

Shri Om Prakash Saxena

Shri Rajendra Sahaya

Shri Sanjay Sarda

Shri Rakesh Verma

COMPANY SECRETARY

Shri R. N. Prajapati

INTERNAL AUDITORS (FY 2015-16)

PANKAJ VERMA & ASSOCIATES
Chartered Accountants
58, Metcalfe Street
4th floor, Suite - 4A
Kolkata – 700 013

STATUTORY AUDITORS

VPC & ASSOCIATES
Chartered Accountants
'E' Block, 4th Floor, Mercantile Bldg.
9/12, Lal Bazar Street
Kolkata – 700 001

REGISTRAR & SHARE TRANSFER AGENT

Niche Technologies Private Limited
D/511, Bagree Market
71, Biplabi Rash Behari Bose Road
Kolkata – 700 001
Tel: (033) 2235-7270 / 7271
email : nichetechpl@nichetechpl.com

REGISTERED OFFICE

18/1A, Hindustan Road,
Kolkata – 700 029
Phone – (033) 2465 2433 / 2434
Fax – (033) 2465 0925
Email – aplcalcutta@rediffmail.com
Website –www.associatedpigmentsltd.com

BANK

Allahabad Bank
Industrial Finance Branch
'Kishore Bhawan'
17, R. N. Mukherjee Road,
Kolkata – 700 001

CONTENTS

1. Notice	1
2. Directors' Report including Management Discussion & Analysis certificate	10
3. <u>Annexures to Director Report</u>	
i) Corporate Governance Report along with code of conduct declaration and Auditors certification.	17
ii) Particulars of KMP and Senior employees.	28
iii) Extract of Annual return - MGT-9.	30
iv) Conservation of Energy.	38
v) Secretarial Audit Report - MR-3.	40
4. Independent Auditor's Report on Financial Statement	42
5. Financial Statements for FY 2015-16	50
6. Notes on Financial Statement	54
7. Attendance Slip/Proxy Form Route Map-AGM Venue	-

ASSOCIATED PIGMENTS LIMITED

(CIN: L 24224WB1948PLC017455)

Registered Office: 18/1A, Hindustan Road, Kolkata -700029,

E-mail : apcalcutta@rediffmail.com; Website : www.associatedpigmentsltd.com

Telephone : 033 2465 2433/34; Fax : 033 2465 0925

NOTICE OF 67TH ANNUAL GENERAL MEETING (AGM)

Notice is hereby given that 67th Annual General Meeting of the Members of the Company will be held at Kala Mandir (Kalakunj), 48 Shakespeare Sarani, Kolkata – 700 017 on Monday, the 26th September, 2016 at 3:00 PM to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' Report and the Auditors' Report thereon for the financial year ended 31st March, 2016.
2. To appoint a Director in place of Mr. Rajnish Gambhir (DIN –00459644), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and pass the following as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section-139 of the Companies Act, 2013 read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 and other applicable provisions, the retiring Auditor M/s. VPC & Associates, Chartered Accountants (Firm Registration No- 313203E), be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on a remuneration as may be determined by the Board of Directors of the Company.”

SPECIAL BUSINESS

4. To consider and pass the following as an **Ordinary Resolution:**

Appointment of Mr. Sanjay Sarda as an Independent Director

“RESOLVED THAT pursuant to Section 149, 152 and other applicable provisions of the Companies Act, 2013, and the Rules made thereunder read with Schedule IV to the Companies Act, 2013 (including any statutory modifications or re-enactment(s) thereof, for the time being in force), Mr. Sanjay Sarda (DIN-00208161), who was appointed as an Additional Director of the Company in terms of Section 161 of the Companies Act, 2013 by the Board of Directors w.e.f. 11th February, 2016 and holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013, signifying his intention to propose Mr. Sanjay Sarda as a candidate for the office of Director of the Company, be and is hereby appointed as an Independent Director of the Company for a term of five years w.e.f. 26st September, 2016 up to 25st September, 2021, and whose office shall not be liable to retire by rotation.”

5. To consider and pass the followings as a **Special Resolution:**

Change the Name of the company

“RESOLVED THAT pursuant to the provisions of Section – 4,13 and other applicable provisions of the Companies Act, 2013 and the name of the company be changed from Associated Pigments Limited to APL Metals Limited

“RESOLVED FURTHER THAT the name Associated Pigments Limited wherever it occurs in the Memorandum

and Articles of Association of the company and all other documents be substituted by the name APL Metals Limited ”

“RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to do all such acts, deeds and things as may be expedient and necessary to give effect to this resolution.”

6. To consider and pass the following as a **Special Resolution:**

Adopting New Articles of Association of the company

“RESOLVED THAT pursuant to the provisions of Section – 5 and 14 and other applicable provisions of the Companies Act, 2013 read with the Companies (Incorporation) Rules, 2014 (including any modification(s) or re-enactment thereof for the time being in force) the draft regulations contained in the Articles of Association of the company submitted to this meeting be and are hereby approved and adopted to substitute to the entire exclusion of the regulations contained in the existing Articles of Association of the Company. “

7. To consider and pass the following as an **Ordinary Resolution:**

Appointment of Cost Auditors for FY 2016-17

“RESOLVED THAT pursuant to the provisions of Section 141, 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules,2014) (including any statutory modification/s or re-enactment thereof for the time being in force) the payment of the remuneration of Rs 62,000/- (Rupees Sixty Two Thousand Only) plus applicable taxes and reimbursement of actual out of pocket expenses to M/s. B. Saha & Associates, Cost Accountants of 8, Bansdroni Ambagan, P.O. – Bansdroni, Kolkata – 700070 for conducting the cost audit for the financial year 2016-17, be and is hereby ratified and confirmed.”

By Order of the Board

For Associated Pigments Limited

Place: Kolkata
Dated:15th July 2016

R. N. Prajapati
Company Secretary
Membership No-F1889

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY DULY COMPLETED MUST BE DEPOSITED AT THE COMPANY'S REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE AGM.
2. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or member.
3. Explanatory statement pursuant to Section 102 of the Companies Act, 2013 stating material facts relating to the **Special Business** to be transacted at this AGM is annexed.
4. Corporate Members are required to send to the company signed certified copy of the Board Resolution under section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the AGM.
5. Members / Proxies should bring the enclosed Attendance Slip duly filled in for attending the AGM.
6. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
7. Relevant documents referred to in the accompanying notice including Annual Report for the financial year 2015-16 are open for inspection by members at the registered office of the company on all working days of the Company (Monday to Friday) between 11:00 a.m. and 1:00 p.m. up to the date of AGM.
8. The Register of Members and Share Transfer Books will remain closed under Section 91 of the Companies Act, 2013 from **20th September, 2016 to 26th September, 2016 (both days inclusive)**.
9. All requests for physical transfer of Equity Shares, change of address and allied matters by shareholders should preferably be sent directly to the Company's Registrar & Share Transfer Agent – M/s Niche Technologies Pvt. Ltd, D-511, Bagree Market, 71 B.R.B.B. Road, 5th Floor, Kolkata-700 001 Email id : nichetechpl@nichetechpl.com Ph. No- 033-2235-7270/7271.
10. Members desiring any information on accounts are advised to write to the company at least seven days before the Meeting to enable the Management to keep the information ready at the Meeting.
11. SEBI has made it mandatory for every participant in Capital Market to furnish Income Tax Permanent Account Number (PAN). Accordingly, all members holding shares in Physical form are also requested to submit self-attested copy of PAN (both sides) to the Registrar & Share Transfer Agents.
12. Ministry of Corporate Affairs (MCA) has launched "Green Initiative in Corporate Governance vide Circular No. 17/2011 dated 21st April, 2011 allowing dispatch of notices, Annual Report and other correspondence through electronic mode via E-Mails. All shareholders – both Physical and DP are requested to send their Email Id to our Registrar & Share Transfer Agent for a faster communication.
13. The Route Map to the venue of the meeting is given separately at the end in back side of **PROXY FORM** for convenience of members to attend the meeting.
14. Members may appoint nomination for Physical Shares held by them by sending completed Form available with the Company's Registrar & Share Transfer Agent and directly with their DP for Shares held in electronic mode. The Nomination Form is available on Company website : www.associatedpigmentsltd.com
15. Additional Information about the Directors to be appointed and reappointed at the Annual General Meeting

as required by Regulation 36(3) of SEBI (LODR) Regulations, 2015 is given in Directors' Profile contained in the Corporate Governance Report forming part of this Annual Report.

16. The Notice of the AGM along with the Annual Report 2015-16 is being sent by electronic mode to those members whose e-mail addresses are registered with the Company/ Depositories, unless any member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
17. In terms of Investor Education and Protection Fund (Uploading of Information regarding Unpaid and Unclaimed Amounts lying with the Companies) Rules, 2012 the Company has uploaded the information of Unpaid Dividend in its website : www.associatedpigmentsltd.com

18. VOTING THROUGH ELECTRONIC MEANS

- I. In compliance to Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations ,2015 the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by Central Depository Services (India) Limited (CDSL).
- II. The facility for voting through ballot paper will be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- III. **The process and manner for remote e-voting are as under:**
- (i) The remote e-voting period commences on 23rd September, 2016 (10:00 am) and ends on 25th September, 2016 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September,2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com during the voting period
- (iii) Click on “Shareholders” tab.
- (iv) Now Enter your User ID
- a. For CDSL: 16 digits beneficiary ID,
- b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
- c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN Field.
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format
Bank Account Number	Enter the Bank Account Number as recorded in your demat account with the depository or in the company records for your folio.
(DBD)	<ul style="list-style-type: none"> Please Enter the DOB or Bank Account Number in order to Login. If both the details are not recorded with the depository or company then please enter the member-id / folio number in the Bank Account Number details field as mentioned in above instruction (iv).

(viii) After entering these details appropriately, click on **“SUBMIT”** tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant Company Name i.e. **Associated Pigments Limited** on which you choose to vote.

(xii) On the voting page, you will see **“RESOLUTION DESCRIPTION”** and against the same the option **“YES/NO”** for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the **“RESOLUTIONS FILE LINK”** if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on **“SUBMIT”**. A confirmation box will be displayed. If you wish to confirm your vote, click on **“OK”**, else to change your vote, click on **“CANCEL”** and accordingly modify your vote.

(xv) Once you **“CONFIRM”** your vote on the resolution, you will not be allowed to modify your vote.

- (xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders & Custodians :
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a compliance user which should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com or **contact them at 1800 200 5533**.
- (xx) Shareholders can also cast their vote using CDSL's mobile app. M-voting available for Android based mobiles. The m-voting app can be down loaded from Google Play Store. IPhone and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after **30th June, 2016**. Please follow the instructions as prompted by the mobile app while voting on your mobile.
19. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at aklabhcs@gmail.com with a copy marked to helpdesk.evoting@cdslindia.com on or before 25th September, 2016, up to 5:00 pm without which the vote shall not be treated as valid.
20. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 19th September, 2016.
21. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 29th July, 2016. A person who is not a member as on cutoff date should treat this notice for information purpose only.
22. The shareholders shall have one vote per equity share held by them as on the cut-off date of 19th September, 2015, The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
23. Since the Company is required to provide members the facility to cast their vote by electronic means, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 19th September, 2016, and not casting their vote electronically, may only cast their vote at the Annual General Meeting.

24. Notice of the AGM along with attendance slip, proxy form along with the process, instructions and the manner of conducting e-voting is being sent electronically to all the members whose e-mail IDs are registered with the Company / Depository Participant(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
25. Investors who became members of the Company subsequent to the dispatch of the Notice / Email and holds the shares as on the cut-off date i.e. 19th September, 2016 are requested to send the written / email communication to the Company at aplcalcutta@rediffmail.com by mentioning their Folio No. / DP ID and Client ID to obtain the Login-ID and Password for e-voting.
26. Mr. Atul Kumar Labh, Practicing Company Secretary, CP No- 3238 has been appointed as the Scrutinizer to scrutinize the remote e-voting process and voting at the AGM in a fair and transparent manner. The Scrutinizer will submit, not later than 3 days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman of the Company or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
27. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website- www.associatedpigmentsltd.com and on the website of CDSL. The same will be communicated to the listed Calcutta Stock Exchange.

Registered Office:

18/1A, Hindustan Road

Kolkata - 700029

CIN : L24224WB1948PLC017455

Website : www.associatedpigmentsltd.comE-mail : aplcalcutta@rediffmail.com

Telephone: 033 2465 2433/34

Fax : 033 2465 0925

By Order of the Board

For Associated Pigments Limited

R. N. Prajapati

Company Secretary

M. No – F1889

Dated: 15th July, 2016

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013**ITEM NO. 4 - APPOINTMENT OF MR. SANJAY SARADA AS INDEPENDENT DIRECTOR**

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Sanjay Sarada was appointed as an Additional Director by the Board with effect from 11th February, 2016 to hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along with a deposit of Rs. 1,00,000/- proposing the candidature of Mr. Sanjay Sarada for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Mr. Sanjay Sarada (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that he meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

The resolution seeks the approval of members for the appointment of Mr. Sanjay Sarada as an Independent Director of the Company for a term of 5 years from 26th September, 2016 up to 25th September, 2021 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Sanjay Sarada, the Independent Director proposed to be appointed, fulfills the criteria of an independent director and is eligible for the same. Brief resume of the Director and other particulars as stipulated by SEBI under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 are disclosed under "Directors' Profile" in the Corporate Governance Report forming part of this Annual Report.

A copy of the draft letter for the appointment Mr. Sanjay Sarada as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to 26th September, 2016.

None of the Directors or Key Managerial Personnel or their relatives except Mr. Sanjay Sarada, to whom the resolution relates, is interested or concerned, financially or otherwise, in the aforesaid resolution.

The Board recommends the resolution set forth in Item No. 4 of the Notice for the approval of the members.

ITEM NO. 5 - Change of Name of the Company

Associated Pigments Limited was incorporated in the year 1948 and the word Pigments appearing in the name represented its manufacturing/ trading business of Red Lead and Zinc Oxides, a substance in powder form used in paints industry. The word Pigments denotes coloring material in powder form mixed with liquids to produce paint to create a coating to protect or decorate surface. Over the years, Associated Pigments Limited has diversified and now its business operations mainly covers manufacture/trading of Refined / Antimonial lead and Lead Oxides all of which are raw materials for producing Lead Acid Storage Battery. The company any longer does not deal with materials for pigments i.e. paint industry. However, the name of the company has not been changed in line with its business activities and hence, the Board of Directors had at their meeting held on 14th May, 2016 decided to change the name of the company in conformity with its business. The Office of Registrar of Companies, West Bengal has already in principle approved change of name of the company to **APL METALS LIMITED** subject to further compliances of the law. Moreover, the company has also complied with formalities for approval of the stock exchange for change of its name in terms of Regulation-45 of the SEBI (LODR) Regulations, 2015.

None of the Directors or Key Managerial Personnel or their relatives is interested or concerned, financially or otherwise, in the aforesaid resolution. The Board recommends the resolution set forth in Item No. 5 of the Notice for the approval of the members.

ITEM NO. 6 - Adopting New Articles of Association of the Company

The existing Articles of Association of the Company ("AoA") was adopted by members at the Annual General Meeting held on 26th September, 1968 and there after its few regulations has been amended from time to time in conformity with requirement of business. With enactment of The Companies Act, 2013 ("New Act ") and subsequent amendments /clarifications issued by MCA, various regulations contained in the "AoA" have become out dated and it required a thorough change to bring it in conformity with the present law. Hence, the Board of Directors had at their meeting held on 14th May, 2016 decided to replace the existing regulations by new set of regulations in conformity with the "New Act "The new Draft "AoA" is streamlined to ensure that:-

- (i) The items which a company can do "if so authorized by Articles" and items which company cannot do "Unless authorized by Articles" have been specifically included.
- (ii) The regulations of "AoA" which are part of the statute and company has no alternative/option but to follow the rules of law compulsorily have been deleted to make the Draft "AoA" more concise, clear and meaningful.

The Proposed new draft "AoA" is being uploaded on the company website for perusal by the shareholders and is available for inspection at the Registered Office of the Company.

None of the Directors/Key Managerial Personnel//their relatives are in any way concerned or interested, financially or otherwise in this resolution. The Board commends this Special Resolution as set out in the Notice for approval by the Shareholders.

ITEM NO. 7 – Appointment of Cost Auditors for FY 2016-17

The Board, on recommendation of the Audit Committee, has recommended re-appointment of M/s B. Saha & Co., Cost Accountants, Kolkata for the financial Year 2016-17 on existing remuneration of **Rs 62,000/- (Rupees Sixty Two Thousand Only)** plus applicable service tax and reimbursement of out of pocket expenses on actuals for conducting Cost Audit and to report in terms of Section 148 of the Act read with Companies (Cost Records and Audit) Rules, 2014 and any amendment thereto. The remuneration of Cost Auditors is required to be ratified by shareholders of the Company under Section 148 of the Act.

Hence, consent of members is sought for appointment and remuneration as set out in Item No. 7 of the Notice of the AGM. None of the Directors or Key Managerial Personnel or their relatives is interested or concerned, financially or otherwise, in the aforesaid resolution. The Board recommends the resolution set forth in Item No. 7 of the Notice for the approval of the members.

Registered Office:
18/1A, Hindustan Road
Kolkata -700029
Dated: 15th July, 2016

By Order of the Board
for Associated Pigments Limited

R. N. Prajapati
M. No – F1889
Company Secretary

DIRECTORS' REPORT TO THE SHAREHOLDERS
(INCLUDING MANAGEMENT DISCUSSION AND ANALYSIS)

Your Directors hereby present the 67th Annual Report and Audited financial statement for the year ended 31st March 2016 along with Management Discussion & Analysis Report in compliance to Section-134 of The Companies Act, 2013 and Rules made thereunder (hereinafter referred as 'the Act') and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as SEBI (LODR) Regulations. The Regulation number stated hereinafter refers to Regulations under SEBI (LODR) Regulations

1. Over-view of Economy

The global economy witnessed a tumultuous economic environment during FY 2015-16 with major economies showing slowdown in growth. Against this background, Indian economy has emerged as a fastest growing economy with a high growth rate above 7%. The contribution of both manufacturing and service sector has been phenomenal. As per RBI estimates, The Gross Value Added (GVA, a new concept introduced by CSO to measure economic activity) of India has been hovering around 17% for the last four years. The Government has launched several policy initiatives such as ease of doing business, Make in India, Invest India, e-biz Mission Mode Project, liberal FDI in new sectors, Promoting New- Start-ups and so on.

2. Industry Structure and Developments

The company is primarily engaged in manufacture of lead, lead alloys and lead oxides which caters to the raw-material needs of the battery industry. The structure is basically dependent upon demand for automotive batteries, industrial batteries, sub-marine batteries, home UPS etc. The global increase in supply of Lead had left behind the demand for the Lead during the period. In view of lack luster demand and increase in Supply-demand gap, the indigenous prices of lead manufactured by the company fell continuously and this adversely affected the operations.

3. Performance

The Production during the year increased by about 33% as compared to same period of last year. The Gross Turn over also increased by about 14% from Rs 341.23 Crores to Rs 388.56 Crores . The Turn over did not increase proportionately due to decline in price of lead during the year. The Average Sale Price of Refined Lead had declined by about 7.7% during FY 2015-16 as compared to price during same period of last year. This had also affected the working of the company. The company had reduced finance cost by reducing exposure in Cash Credit Facility . Considering the downtrend in selling prices and financial difficulties, the performance during the year appears reasonable and satisfactory. There was a cash Profit of 0.64 Crores despite decline of 7.7% in average sale price of refined lead during the year. However, there is ample scope for improving the bottom line further towards which the company is striving positively.

4. Dividend

In view of inadequate profit, the Board of Directors regrets to recommend any dividend for the financial year under report.

5. Financial Performance

The Company's financial performance for the year ended 31st march, 2015 is summarized below:

Particulars	(Rs. in Crores)	
	2015-16	2014-15
Total Sales and Other Income	347.69	305.96
Less: Operating Expenses	337.88	298.76
Profit / (Loss) before Depreciation, Interest and Tax	9.81	7.20
Less: Finance Cost	9.17	13.32
Profit / (Loss) before Depreciation and Tax	0.64	(6.12)
Less: Depreciation	–	–
Exceptional Item-prior period interest	Nil	(5.66)
Extraordinary Item	Nil	9.90
Profit / (Loss) Before Tax	0.64	(1.88)
Tax Income / (Expenses) (including Deferred Tax)	0.20	4.76
Net Profit / (Loss) after Tax	0.44	2.88

During the current year, there was no extraordinary income of Rs.9.90 crores (net of deferred tax). In view of inadequate profit, the company has not charged depreciation since financial year 2013-14 and total arrear depreciation not accounted was Rs 3.44 crores as on 31st March, 2016 which included Rs 1.09 crores for the current financial year and Rs.0.05 crores on account of arrear depreciation on 1st April, 2014 due to re-computation of life of assets as per Schedule-II of the Act read with amendment vide Notification GSR237(E) dtd 31.03.2014. All these have been properly explained in Note-2 of Notes on Accounts forming part of the Annual Report 2015-16.

6. Future Out-look

The company has plans to maximize its production through rotary smelting. As against direct refining from remelted lead, this route ensures a substantially higher value addition leading to a greater profitability. In addition to the two existing rotary furnaces, the company is in the process of installing a third rotary furnace that will enhance its smelting capacity from 24000 TPA to 48000 TPA – thereby gearing up the bottom line. The additional working capital, that is a pre-requisite is being arranged accordingly. Discussion with regards to the same is in process with concerned bankers/financiers and company is hopeful of securing the necessary financial assistance.

7. Change in the nature of business, if any

There is no change in the nature of the business of the Company.

8. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future

There were no significant and material orders passed by regulators or courts or tribunals impacting the going concern status and Company's operations in future.

9. Material changes and commitments, if any, affecting the financial position of the company which have

occurred between the end of the financial year of the company to which the financial statements relate and the date of the report

There is nothing to report in respect of material changes or commitments which have occurred between the end of the financial year of the company and the date of this report affecting the financial position of the company and hence same is not reported.

10. Subsidiary / Joint Ventures / Associates

The Company has no subsidiary or joint venture or associate company on which company has a significant influence as per Section-2(6) of the Companies Act, 2013 and hence disclosure in Form- AOC-1 is not provided in this Report.

11. Safety and Environment

Ensuring safety and monitoring health of employees at work places is integral to company's business process. The Safety, Health and Environment performance is regularly monitored by the management. Your company gives greater thrust to cleanliness to minimize adverse impact of operations on environment with focus on waste, heat and energy management, water conservation, afforestation, dust prevention, affluent discharge and reduction in emission from furnaces.

12. Internal Financial Control

The Company has a well established internal control system designed to assess and ensure effective and efficient financial and operational controls. Internal Audit Team conducts audit of financial transactions on quarterly basis to ensure checks and compliances which are reported, discussed and implemented after discussion with Statutory Auditors, the Audit Committee and at Board Meetings. The Audit Committee reviews the adequacy of internal control systems and suggests the areas for improvement from time to time.

The internal control system has been designed to provide reasonable assurances with regard to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding of assets, execution of transaction with proper authorization and ensuring compliance with corporate decisions and policies. The Audit Committee and Directors regularly review the effectiveness of internal controls and compliance controls, financial and operational risks, and related party transactions in the company.

13. Share Capital and Reserves

The paid up Equity Share Capital as on March 31, 2016 was Rs. 22,92,08,930/-. During the year under review the company has not issued any shares or any convertible instrument.

The deficit balance of Reserves of Rs. 13,88,86,172/- in last year declined by Rs. 43,85,850/- to Rs. 13,45,00,322/- on 31st March, 2016 due to net profit during the year 2015-16.

14. Risks and Concerns

Business risks associated to your company are towards supply chain management, stringent environmental and pollution control norms for manufacturing and hazardous materials, fluctuating raw material prices, processing costs, Foreign Exchange Fluctuations, Changes in Govt policies and financial risks of high capital intensive and servicing of past liabilities

The Management regularly reviews and monitors these risks in Board/ Audit Committee Meetings for better and timely control within the best available resources.

15. Risk Management

The Board has formulated Risk Management Committee to ensure stability and sustainable business growth and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the

business. In order to achieve the key objectives, the policy establishes a structured and disciplined approach to Risk Management, in order to guide decisions on risk related issues. The details of Risk Management Committee are given in the Report on Corporate Governance.

16. Opportunities and Threats

Your company has a proven manufacturing capability which enjoys locational advantage. It is one of few dependable manufacturers of quality recycled lead in bulk in organized sector in eastern India. The industry being capital intensive, it calls for substantial working capital finance due to involvement in raw material imports and processing thereof.

17. Board of Directors

Your directors regret to inform you about unnatural sudden demise by road accident in Dubai of Mr. Yash Bharat Divecha, an active Independent director on the Board and member of various Committees on 5th January, 2016. Your directors place on record immense contribution given by him to the Board/Committees during his short span of association for about two and half years with the company.

Thereafter, Mr. Sanjay Sarma has been co-opted on the Board as Additional Independent director effective from 11th February, 2016. He holds office till the date of this Annual General Meeting and is eligible for re-appointment

18. Key Managerial Personnel

The company has following three Key Managerial Personnel within the meaning of Section-2(51) in compliance with the provisions of Section 203 of the Companies Act, 2013:

- a) Mr. Sanjiv Nandan Sahaya, Managing Director and Chief Executive Officer (CEO)
- b) Mr. Rajnish Gambhir, Executive Director and Chief Financial Officer (CFO)
- c) Mr. Ram Narayan Prajapati, Company Secretary and Compliance Officer

19. Meetings of Board

The details of number and dates of meetings held by the Board and attendance of other Directors is given separately in the Corporate Governance Report attached to this Report.

20. Evaluation of Board, Committees and Individual Directors

The Nomination & Remuneration Committee laid down the policy and process of evaluation of Board of Directors based on a set of parameters as per Schedule-IV read with Section-149(7) as under:

- i. Self evaluation of the Board Members
- ii. Evaluation of Non- Independent Directors' performance by Independent Directors.
- iii. Evaluation of Chairman's performance by Independent Directors taking views of other directors
- iv. Assessment of quantity, quality and timeliness of information to the Board.
- v. Performance of Independent directors by Board as a whole excluding the director being evaluated

Using the parameters mentioned above the evaluation of the Independent directors were carried out by the Board as a whole at their Meeting held on 11.02.2016. Like-wise, an exclusive separate meeting of Independent Directors was held on 11.02.2016 and performance evaluation of the Chairman of the Board and the Board as a whole was carried out.

21. Remuneration Policy

Nomination and Remuneration Committee has formulated the Nomination, Remuneration and Evaluation Policy for Directors, Key Managerial Personnel (KMPs) and other employees in terms of the provisions of Section 178(3) of the Companies Act, 2013 and SEBI (LODR) Regulations The said policy which has been

approved by the Board outlines the appointment criteria and qualifications, the term/ tenure of the Directors on the Board of Company and the matters related to remuneration of the Directors.

22. Audit Committee

The details of composition of Audit Committee as per Regulation-18 and its meeting are provided in the Corporate Governance Report attached to this Report.

23. Vigil Mechanism

Vigil Mechanism as per Regulation 22 is covered in Report on Corporate Governance.

24. Contracts and Arrangements with Related Party

The company has formulated policy for approval of all related Party transactions as per Regulation-23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Omni-bus prior approval is given by Board for non-material routine nature of transactions and reported in quarterly meetings.

The Company follows a policy of disclosure of Related Party Transactions in each Meeting of the Audit Committee and also of the Board of Directors. All the related party transactions were in the ordinary course of business and on arms length basis and were outside the purview of Section-188 (1) of the Act; hence Form-AOC-2 is not applicable to the company.

25. Loans, guarantees and investments

The Company has not given any loans or guarantees under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014. However, investment in Govt. securities made in past are disclosed in the financial statements.

26. Disclosure under Section 197 (12) and Rule 5(1) of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014

The requisite details relating to ratio of remuneration, percentage increase in remuneration etc as stipulated under the above rules are annexed as Annexure – 2 to this report.

27. Particulars of Employees

During the year there was no employee drawing remuneration beyond the limit prescribed in Section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

28. Extract of the Annual Return

The extract of the Annual Return in Form No. MGT – 9 is given in Annexure - 3 and forms part of this Report.

29. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The prescribed particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo required under section 134(3)(m) read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is attached as Annexure – 4 and forms a part of this Report of the Directors. During the year under review, there were no foreign exchange earnings and the outflow was Rs 124.28 Crores mainly for import of raw-materials.

30. Directors' Responsibility Statement

Pursuant to Section 134(3) (c) read with Section 134(5) of the Companies Act, 2013 the Directors of your Company confirm that -:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (ii) the Directors have selected such accounting policies 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 at the end of the financial year and of the profit of the Company for that period;
- (iii) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records

in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) the Directors have prepared the annual accounts on a going concern basis;
- (v) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

31. Deposits

The Company has not accepted any deposits from the public, and as such, there are no outstanding deposits in terms of the Companies (Acceptance of Deposits) Rules, 2014.

32. Corporate Social Responsibility (CSR)

CSR initiatives are integrated with strategic management and corporate governance compliances. It is adopted and ensured through policies, programs, procedure & process by maintaining an equitable balance between competing claims of customers, vendors, employees, community vis-a-vis maximization of shareholders value.

The provisions of Sections 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable to the Company.

33. Listing

The Equity Shares of the Company continues to be listed with The Calcutta Stock Exchange and annual listing fees has been paid up to date. Your Company has entered new listing Agreement with Calcutta Stock Exchange as per SEBI (LODR) Regulations, 2015 .

34. Corporate Governance

Corporate Governance Report in terms of Regulation 34 of SEBI (LODR) Regulations, 2015 readwith Schedule- V of these regulations covering disclosures and compliance as per Regulations – 16 to 27 is given separately as Annexure - 1 and forms part of this Report of the Directors. The Managing Director and Auditor's Certificate confirming compliance with the conditions of Corporate Governance are also attached with this report.

35. Auditors and Auditors Qualifications

The Auditors M/s VPC & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing Annual General Meeting and are eligible for re-appointment and have given their consent for same.

The observations made in the Auditor's Report, have been suitably explained in the Note – No -2 in the Audited Financial Statement which are self- explanatory .

36. Secretarial Audit

A Secretarial Audit was conducted during the year by the Secretarial Auditor, Mr. B. N. Khandelwal, Company Secretary in Practice, (ACS-1614, CP No,-1148) in accordance with the provisions of section 204 of the Companies Act, 2013. The Secretarial Auditor's Report is attached as Annexure - 6 and forms a part of this Report of the Directors. There are no qualifications or observations or remarks made by the Secretarial Auditor in his Report.

37. Cost Audit

The company has appointed B. Saha & Associates, Kolkata as Cost Auditors for cost audit of records for the financial year 2015-16.

38. Internal Audit & Controls

In terms of Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, M/s Pankaj Verma and Associates, Chartered Accountants had carried out the Internal Audit of accounts and operations of the company during the current financial year.

Internal Auditors' findings are discussed and suitable corrective actions are taken as per the directions of Audit Committee on an ongoing basis to improve efficiency in operations.

39. Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has constituted an Internal Complaints Committee in accordance with the requirements under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 which ensures implementation and compliance with the Law as well as the policy at every unit. There were no cases/ complaints reported in this regard during the year.

40. Cautionary Statement

The statements in the Directors Report including the Management Discussion and Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials and finished goods. The Company assumes no responsibility in respect of forward looking statements that may be revised or modified in the future on the basis of subsequent developments, information or events.

41. Acknowledgement

Your Directors wish to place on record their appreciation of assistance and co-operation received from bankers, lenders, suppliers, customers, Government authorities, employees & other stake holders.

Place: Kolkata
Date: 28th May, 2016

On behalf of the Board of Directors

Ravi Nandan Sahaya, Chairman
Sanjiv Nandan Sahaya, Managing Director

REPORT ON CORPORATE GOVERNANCE**ANNEXURE -1**

(In Compliance to Regulation 34(3) of SEBI (LODR) Regulations, 2015 hereinafter referred as Regulation)

1. Company's Philosophy on Code of Governance

Company's policy towards Corporate Governance is guided by better co-ordination, creation of trust, transparency and fairness while dealing with all stakeholders. The efforts of the company are directed towards compliance of regulatory framework, customer's satisfaction as to price, quality and service, meeting commitment and assurance to vendors, investors, bankers, authorities, business associates and surrounding communities and sustaining long term growth for maximizing shareholders value.

2. Board of Directors (as per Regulation-17)**2.1 Composition, Attendance, Directorship/Committee Membership, Attendance in Meeting**

The company has optimum composition of Executive and Non-Executive Directors as per Regulation-17. The Board of Directors on 31st March, 2016 consisted of eight directors out of which four (50%) were Independent directors and Six (75%) were Non-Executives including Non-executive Chairman. All independent directors are professionals with substantial experience in business, finance, law and corporate management and meet the criteria of independence as per law. The attendance of Board members at the meetings held during Financial year was as under:-

Sl No	Name of Director	Status	No of Board Meetings		Attendance in last AGM	Director in Other companies	Chairman/Committee Member in other companies
			Held	Attended			
1	Mr. Ravi Nandan Sahaya (DIN-00059292)	Chairman Non_Executive	4	4	Yes	2	Nil
2	Mr. Sanjiv Nandan Sahaya (DIN 00019420)	Managing Director	4	4	Yes	Nil	Nil
3	Mr. Rajnish Gambhir (DIN-00459644)	Executive Director & CFO	4	4	Yes	1	Nil
4	Mr. Om Prakash Saxena (DIN-01059659)	Independent Director	4	4	Yes	4	Nil
5	* Mr. Yash Bharat Divecha (DIN-06585017)	Independent Director	3	3	Yes	Not Applicable	Not Applicable
6	Mr. Rajendra Sahay (DIN-02633026)	Independent Director	4	4	Yes	Nil	Nil
7	Mrs. Pammi Sahaya (DIN- 02350838)	Woman Director Non-Executive	2	2	Yes	Nil	Nil
8	Mr. Rakesh Verma (DIN-7102952)	Independent Director	4	4	N.A.	1	Nil
9	* Mr. Sanjay Sarda (DIN-00208161)	Independent Director	Nil	Nil	N.A.	1	Nil

All Directors in other companies as above are in Indian Companies only and does not include Private Companies and companies under section-8 of the Act. A chairmanship/Committee member refers to Audit Committee and Stakeholders Committee of public limited companies only.

*In view of death of Yash Bharat Divecha on 5th January, 2016, Mr. Sanjay Sarda was appointed by the Board as Additional Director on 11th February, 2016 and no Board Meeting has been held thereafter.

2.2 Relationship between Directors Interse

Mr. Sanjiv Nandan Sahaya and Mrs. Pammi Sahaya are relatives under Section- 2(77) of the Act read with the Companies (Specification of definition) Rules, 2014.

2.3 Changes in Board of Directors:

In view of death of Yash Bharat Divecha on 5th January, 2016, Mr. Sanjay Sarda (DIN-00208161) who fulfilled criteria of Independent director was appointed on 11th February, 2016 by the Board as Additional Director and holds office till next AGM.

2.4 Board Procedure

The Meetings of the Board of Directors are usually held at the Registered Office of the Company. The Directors are intimated well in advance by giving at least 7 days' notice. The Board reviews and discusses at each quarterly meeting the Operating Performance, Compliance of Statutory Payments, Internal Audit Reports and steps to rectify/improve upon observations, quarterly and year to date results, changes in shareholdings and other matters brought to the notice of Board by the Management. Four Board Meetings were held during the financial year ending on 31st March 2016 - on 29th May, 2015, 14th August, 2015, 06th November, 2015 and 11th February, 2016.

2.5 Profile of Directors Seeking Appointment /Reappointment is given below as per Reg-36(3)

Mr. Rajnish Gambhir (DIN-00459644)

Mr. Rajnish Gambhir (Date of Birth- 22nd April, 1961) aged about 55 years has been on the Board of the Company since 24th October, 2008. Presently, he is Executive Director and has been given additional responsibility of Chief Financial Officer (Key Managerial Personnel) of the Company with effect from 29th May, 2014. He is a Commerce graduate and has vast experience and knowledge in the field of Finance, Purchase, Marketing and other commercial aspects. He holds 500 number of equity shares of the company. He is director in of one other limited company namely (i) Golden Steel Corporation Ltd. He is not Chairman / committee member of any other company. He retires by rotation and is eligible for re-appointment at the next AGM. He is not related to any director.

Mr. Sanjay Sarda (DIN- 00208161)

Mr. Sanjay Sarda (Date of Birth- 19th September, 1960) aged about 56 years was co-opted as Independent Director on 11th February, 2016. He is also member of Remuneration Committee, Audit Committee and CSR Committee of the Board. He holds the degree of B.Tech (Chemical) from Madras University. He has more than 30 years experience in business. He holds 1000 number of equity shares of the company. He is interested as director of one other limited company as Managing Director of Sparrow Electronics Limited. He is not related to any director.

Terms and Conditions for Appointment letters of Independent Directors is given in the company's website: www.associatedpigmentsltd.com and is available for inspection at the registered office of the company.

2.6 Directors Familiarization Programme as per Reg-25(7)

At the time of appointment a formal letter of appointment is issued setting out in brief rights, duties and responsibilities as a director. All directors newly joining including Independent directors are provided

with the Company Profile, Company Policies, business model; latest Annual Report containing company's manufacturing facilities, performance and other host of information on operations and control. They are also updated and informed about disclosure compliances at quarterly meetings of Board/Committee.

2.7 Code of Business Conduct and Ethics for Board of Directors and Senior Management Personnel

The Code of Conduct laid down by the Company, binds all the Board Members and Senior Management of the Company. A declaration by the Chief Executive Officer and Chief Financial Officer is given towards the end of this report.

Committees of Board

3. Audit Committee (as per Regulation- 18)

The Audit Committee consists of four directors out of which three (75%) are Independent and Non-Executives and have relevant finance and audit exposure whose attendance is furnished below:-

Sl No	Name of Director	Status	No of Meetings	
			Held	Attended
1	* Mr. Rajendra Sahay (w.e.f. 7.11.2015)	Chairman -Independent Director	4	3
2	Mr. Sanjiv Nandan Sahaya	Managing Director	4	4
3	** Mr. Yash Bharat Divecha (Up to 05.01.2016)	Independent Director	3	3
4	* Mr. Om Prakash Saxena	Independent Director	4	4
5	** Mr. Sanjay Sarda (w.e.f11.02.2016)	Independent Director	Nil	Nil

*The Board of Directors had appointed Mr. Rajendra Sahay as Chairman of Audit Committee at the Board Meeting held on 6th November, 2015 in place of Mr. Om Prakash Saxena, who was chairman till 6th November, 2015 and continued as member of the Committee thereafter.

**In view of death of Yash Bharat Divecha, Mr. Sanjay Sarda was appointed a member on 11th February, 2016 and no Audit Committee Meeting has been held thereafter.

Four Meetings of Audit Committee were held **on 29th May, 2015, 14th August, 2015, 06th November, 2015 and 11th February, 2016** and attendance thereof is given above.

The Committee is headed by an Independent Director. The representatives of Internal Auditors and Statutory Auditors do attend and participate in the meetings regularly, on invitation. Minutes of the Audit Committee Meetings are read, discussed and noted by the Members of the Board and Audit Committee. The terms of reference of the Audit Committee are as per requirement of Section- 177 of the Act and as specified in Part-C of Schedule II of SEBI (LODR) Regulations, 2015 such as Oversight of financial reporting process and disclosures, appointment and remuneration of Auditors, Cost Auditors, Secretarial Auditors Internal Auditors and Chief Financial Officer, review of quarterly, half yearly, and annual financial results and report of Auditors thereon, evaluation of Internal Financial Controls and Risk Management System and functioning of Whistle Blower Policy, all matters connected with Finance, Accounts, Audits and Investigations and others specified therein.

4. Nomination and Remuneration Committee (NRC) (as per Regulation- 19)

The Committee consists of three Independent directors whose attendance is given below:-

Sl No	Name of Director	Status	No of NRC	
			Held	Attended
1	*Mr. Om Prakash Saxena (w.e.f. 7.11.2015)	Chairman -Independent Director	1	1
2	Mr. Rajendra Sahay	Independent Director	1	1
3	**Mr. Yash Bharat Divecha (Upto 05.01.2016)	Independent Director	1	1
4	**Mr. Sanjay Sarda (w.e.f 11.02.2016)	Independent Director	Nil	Nil

*The Board of Directors had appointed Mr. Om Prakash Saxena as Chairman of NRC at the Board Meeting held on 6th November, 2015 in place of Mr. Rajendra Sahay, who was Chairman till 6th November, 2015 and continued as member of the NRC thereafter.

**In view of death of Yash Bharat Divecha, Mr. Sanjay Sarda was appointed a member by Board on 11th February, 2016 and no Committee Meeting has been held thereafter. The Nomination and Remuneration Committee met once on 11/02/2016. The terms of reference of NRC is as per Section-178 of the Companies Act, 2013 and as specified in Part-D of Schedule II of SEBI (LODR) Regulations, 2015 which includes to recommend / review appointment, remuneration, performance evaluation and related policy decision for executive members of Board, Non independent directors and senior executives and others as specified. The Nomination and Remuneration Policy of the company has been posted in the website of the company www.associatedpigmentsltd.com

5. Remuneration to Directors and their Relatives

The remuneration paid to whole time directors and their relatives; if any is decided by Board of Directors on recommendation of the Nomination and Remuneration Committee and also approved by Shareholders in General Meeting wherever required. While deciding remuneration factors like experience, qualifications, industry trends, financial position of the company, and other relevant factors are considered. Directors interested do not participate in discussion and voting of resolution approving remuneration.

Schedule – V of the Companies Act, 2013 is adhered for fixing remuneration. The non-executive directors are entitled to sitting fees. Presently, the company does not have any scheme for grant of stock options either to the whole time directors or the employees. The details of remuneration paid are given below:-

(a). Remuneration to Executive Directors as Salary during FY 2015-16

Name of the Director	Rupees
Sri Sanjiv Nandan Sahaya, Managing Director	10,80,000
Sri Rajnish Gambhir, Executive Director	6,00,000
Total	16,80,000

(b) Remuneration paid to Relative of Directors as Salary during FY 2015-16

Miss Saloni Sahaya, relative of Mr. Sanjiv Nandan Sahaya and Mrs Pammi Sahaya has been paid salary of Rs 90,000/- for part of the year.

No increment in salary was allowed during the year to the above directors/ relative.

(c) Remuneration to Non-Executive Directors during FY 2015-16

In view of financial position of the company, the non-executive directors were paid fees @ Rs. 4000/- for each meeting of the Board/Committee as decided at the Board Meeting held on 12th November, 2013.

Details of Remuneration paid to the non-executive directors during the financial year 2015-16

<u>Name of the Director</u>	<u>Sitting fees (Rupees)</u>
Sri Ravi Nandan Sahaya	16,000
Sri Om Prakash Saxena	36,000
Sri Rajendra Sahay	28,000
Sri Yash Bharat Divecha	24,000
Smt. Pammi Sahaya	20,000
Sri Rakesh Verma	20,000
Total	1,44,000

6. Stakeholder's Relationship Committee (as per Regulation- 20)

The Stakeholders' Relationship committee was reconstituted during the year and consists of Mr. Ravi Nandan Sahaya (Non- Executive Chairman), Mrs. Pammi Sahaya, and Mr. Rakesh Verma (substituted for Sri Rajendra Sahay) on 31st March, 2016. For any clarification / complaint, shareholders may contact Stakeholders' Relationship committee. The committee oversees and reviews all matters connected with share transfers, issue of duplicate share certificates etc. The committee also looks in to redressal of investor's grievances pertaining to transfer of shares, non-receipt of balance sheet, issue duplicate/physical scrip's, non-receipt of dividend etc.

No complaints were received during the year. The Committee met once on 11/02/2016 .The committee has delegated the authority for transfer/transmission and other routine share-work for timely service to investors which are reported in quarterly meeting of Board of Directors.

7. Risk Management (as per Regulation- 21)

Regulation-21 is not applicable to the company since it is not among top 100 listed companies.

However, the company has formed Risk Management Committee comprising of six members out of which three are directors and three are senior level employees. Mrs. Pammi Sahaya is the chair person of the committee.

Business risk evaluation and measures to mitigate the same is an ongoing process. The risk management process of the company involves risk identification, measurement, prioritization, monitoring, and mitigation as discussed in the Directors Report. A meeting of the committee was held on 28th March, 2016.

8. Vigil Mechanism and Whistle Blower (as per Regulation- 22)

The Company has in place a vigil mechanism and Whistle Blower Policy for directors and employees to report their genuine concerns in line with Regulation-22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Scheme provides (i) safeguards against victimization to person availing the mechanism and (ii) no personnel is denied direct access to the chairman of Audit Committee

9. Corporate Social Responsibility Committee

The Corporate Social Responsibility committee on 31st March,2016 consists of Mrs. Pammi Sahaya (Chairman), Mr. Sanjay Sarda (appointed on 11.02.2016 due to death of Yash Bharat Divecha) and Sri

Rajendra Sahay. In view of financial position and inadequacy of Profit CSR activity could not be carried out and any meeting of the committee was not held during the year.

10. Related Party Transactions – Regulation-23

The company has formulated policy on dealing with Related Party Transaction which is placed on the website of the company. During the Year the company had not entered in to any contract/arrangement /transaction with Related Parties which could be considered material. Moreover, there is no material related party contracts or arrangements entered prior to the coming in force of The SEBI (LODR) Regulations, 2015 . All transactions with Related Parties in compliance to Accounting Standard-18 are disclosed in Note-2.08 of Notes on Accounts in the Audited Financial Statement forming part of this Annual Report which are at arms length price and do not attract Section-188 of the Companies Act, 2013. However approval of the Board has been obtained for all such transactions during the year in compliance to Clause-49 of Listing Agreement and SEBI (LODR) Regulations, 2015.

Significant related party transactions that may have potential conflict with the interest of the company at large.

The members of senior management have made disclosure to the Board relating to all material, financial and other transactions stating that they did not have personal interest that could result in a conflict with the interest of the company at large.

Disclosures

11. Details of non-compliance by the company, penalties, strictures imposed on the company by stock exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years

During the year under review, there was no penalty or stricture imposed on the company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

The company has complied with applicable mandatory requirements in terms of SEBI (LODR), Regulations,2015. The non-mandatory requirements have been adopted to the extent and in the manner as stated under the appropriate headings detailed elsewhere in this report.

12. Disclosure of Commodity Price risks and Commodity hedging activities.

During the year, the company was not engaged in any type of Commodity hedging for fluctuation of raw-material and other Input costs due to financial constraints. However, it ensures hedging of Foreign Exchange Exposure involved in Imports.

13. Audit of Share Capital

Mr. B.N. Khandelwal (ACS-1614, CP-1148) practicing company secretary carried out the secretarial audit on a quarterly basis to reconcile the total admitted capital with National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The secretarial audit report confirms that the total issued and listed capital is in agreement with the total number of shares in physical form and total number of dematerialized shares held with NSDL and CDSL.

14. General Body Meetings

The last three years annual general meetings were held at Kala Mandir (Kalakunj), 48, Shakespeare Sarani, Kolkata – 700017 (i) 26th September, 2013. At 3.00 P.M.(ii) 25th September, 2014 at 3.00 P. M. and (iii) 26th September, 2015 at 12.00 Noon

Special Resolutions passed in the Three Annual General Meetings**(1) FY 2012-13 -Special Resolutions passed at Annual General Meeting held n 26/09/2013**

- (i) Approval u/s 198 & 309 of the companies Act, 1956 for re-appointment of Mr. Sanjiv Nandan Sahaya, Managing Director for 5 Years.
- (ii) Approval U/S 81(A) of the Companies Act for issue of Preference share not exceeding Rs. 14 Crores to promoters and associates on preferential basis
- (iii) Re classification of Authorized Capital in Clause-V of the Memorandum of Association of the Company comprising of 11 Crores of Equity Shares and Rs. 14 crores un classified shares
- (iv) Re classification of Authorized Capital in Article -4 of Articles of Association of the Company Comprising of 11 Crores of Equity Shares and Rs. 14 crores unclassified shares

(2) FY 2013-14 Special Resolutions passed at Annual General Meeting held n 25/09/2014

- (i) Authority for Borrowing Power to Board upto Rs. 400 Crores pursuant to the Provisions of Section180 (1)(c) and any other applicable provisions of the Companies Act,2013 and Rules made thereunder including any amendment thereto.
- (ii) Authority for Mortgage/Charge of Property against borrowing upto Rs. 400 Crores pursuant to Section180(1)(a) and any other applicable provisions of the Companies Act,2013 and Rules made thereunder

(3) FY 2014-15 Special Resolutions passed at Annual General Meeting held on 26/09/2015

- (i) Omnibus approval under Section-188 of the Act for availing /Repaying loans and Advances from Related Parties up to Rs 200 Crores on Interest .

None of the subjects placed in the last three Annual General Meeting required approval by a postal ballot. The Management Discussion and analysis report is already covered in Directors Report.

15 .Means of Communication

The unaudited quarterly , half yearly and audited financial results and other Notices/disclosures as per SEBI(LODR) Regulations is normally published in (1) The Business Standard (English) and The Aarthik Lipi Bengali) and are also placed on the company's website www.associatedpigmentsltd.com. The company did not issue any official news release nor given any presentation to analysts/investors during Fy 2015-16.

16. General Shareholders Information**16.1 Annual General Meeting**

Date & Time : 26th September 2016 at 3.00 PM
 Venue : 'Sangit Kala Mandir Trust'(Kala Kunj)
 48, Shakespeare Sarani, Kolkata – 700 017
 Book Closure : 20th September, 2016 to 26th September, 2016
 (Both days inclusive)

16.2 Financial Calendar 2015-16 (Tentative)

Annual General Meeting for FY 2016 -17

September, 2017

16.3 Financial reporting for the quarter ending

30th June, 2016
 30th September, 2016
 31st December, 2016
 31st March, 2017

Date of Board Meeting

- Between 1st to 14th August, 2016
 - Between 1st to 15th November, 2016
 - Between 1st to 15th February, 2017
 - Between 1st to 30th May, 2017

16.4 Dividend Payment Date - No dividend declared for FY 2015-16

16.5 Listing of Shares

<u>Name of Stock Exchange</u>	<u>Stock Code</u>
The Calcutta Stock Exchange Association Limited	11026
ISIN allotted by Depositories (Company ID Number)	INE 578E01019

Annual listing fees up to March, 2016 have been paid to the Stock Exchange. Listing fee has not been paid to other non-operational/derecognized stock exchanges.

16.6 Market Price Data / Stock Price Performance

There has been no trading of the company's equity shares during the year under review at The Calcutta Stock Exchange Association Ltd.

16.7 Shareholding pattern as on 31st March 2016

Particulars	No. of Shares of Rs. 10/- each	% to total
Promoters & Promoters Group	77, 81,679	72.55
Bodies Corporate - Non promoters	1, 10,651	1.03
Public Shareholding	28,32,947	26.41
Others	1,110	0.01
Total	1,07,26,387	100.00

Distribution of Shareholding as on 31st March 2016

Shareholding (Range)	No. of Shares	Percentage	No. of Members	Percentage
Upto 500	11,96,983	11.16	10770	97.71
501 to 1000	96,495	0.90	5	1.24
1001 to 5000	1,44,980	1.32	1	0.65
5001 to 10000	74,435	0.70	10	0.08
10001 to 50000	246948	2.30	15	0.14
50001 to 100000	669223	6.24	9	0.08
100000 & above	8296323	77.35	11	0.10
Total	10726387	100.00	11021	100.00

16.8 Dematerialisation of shares and liquidity

The shares of the company are in compulsory demat segment and are available for trading in the depository systems of both NSDL and CDSL. Out of 29,44,708 equity shares of Rs. 10/- each held by

the persons other than promoters, 17,13,453 equity shares (58.19%) have been dematerialized and balance 12,31,255 (41.81%) are in physical form as on 31st March 2016. The equity shares of the company are listed with Calcutta Stock Exchanges and listing fees upto FY 2015-16 have been paid. Other Stock Exchanges have been derecognized by SEBI. Company could not proceed with Bombay Stock Exchange for listing due to erosion of net worth.

16.9 Share Transfer System and RTA

With a view to rendering prompt and efficient service to the investors, M/s Niche Technologies Private Limited has been appointed as the Registrar and Share Transfer Agent of the company. The Transfer of Shares is affected by the Registrars after necessary approval of the Committee of the Board. The process of Share Transfer is generally completed within two weeks.

Shareholders are therefore requested to correspond with the share transfer agent for transfer / transmission of shares, change of address and queries pertaining to their shareholding etc. at their address given in this report.

The company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have impact on the company's equity.

16.10 Address for investor correspondence

For transfer / dematerialization of shares
And any other query relating to the shares
of the company

Niche Technologies Private Limited
D -511, Bagree Market
71, Biplabi Rashbehari Bose Road
Kolkata – 700 001
Tel: 2235-7270/7271

For any query on annual report/ investors'
Grievance

E-mail: nichetechpl@nichetechpl.com
E-mail: Investors @ aplgroupco.com

16.11 Plant locations

1.B.T.Road

260, Barrackpore Trunk Road
Khardah, Kolkata -700 115

2.Malwan

Plot No. B-4 & B-5
UPSIDC Industrial Areas
Malwan, Fatehpur (U.P)
Pin - 212664

3.Panskura

Vill: Kanakpur, P.O.- Naranda (Panskura)
Dist: Purba Medinipore (West Bengal)
Pin - 721139

The lease of Bharatpur unit in Rajasthan expired in August, 2015 and has not been renewed.

17. DISCLOSURE OF DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNT - NIL

Certificate by Chief Executive Officer & Chief Financial Officer

The Board of Directors
Associated Pigments Limited
18/1A, Hindustan Road, Kolkata – 700 029

Dear Sir,

We, the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Associated Pigments Limited, to the best of our knowledge and belief, certify that –

1. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March 2016 and based on our knowledge and belief, we state that:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain any statement that might be misleading
 - (ii) these statements together present a true and fair view of the Company's affairs and are in Compliance with existing accounting standards, applicable laws and regulations
2. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee –
 - (i) Any significant changes, if any, in the internal control over financial reporting during the year
 - (ii) All significant changes, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Any Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.
5. We affirm that we have not denied any personal access to the Audit Committee (in respect of matters involving alleged misconduct) and provided protection to the whistle blowers from unfair termination other unfair/prejudicial employment practices.
6. We further declare that all the Board members and senior management personnel of the company have complied with the code of conduct of the company for the year ended 31st March, 2016

Place: Kolkata
Dated – 28TH May, 2016

Rajnish Gambhir
Executive Director
(Chief Financial Officer)

Sanjiv Nandan Sahaya
Managing Director
(Chief Executive Officer)

Auditor's Certificate on Corporate Governance

To
**The Members of
Associated Pigments Limited**

We have examined the compliance of the conditions of Corporate Governance by **ASSOCIATED PIGMENTS LIMITED**, for the year ended 31 March 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges for the period from 1 April 2015 to 30 November 2015 and as per Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from 1 December 2015 to 31 March 2016.

Management's responsibility

The Company's management takes full responsibility of the compliance of the conditions of corporate governance as stipulated in the regulations mentioned above.

Auditors' responsibility

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.

We conducted our engagement in accordance with the 'Guidance Note on Audit Reports and Certificates for 'Special Purposes' issued by the Institute of Chartered Accountants of India. Our responsibility is to certify based on the work done.

Conclusion

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 specified in clause 49 of the Listing Agreement and Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and paragraphs C, D and E of Schedule V of the Listing Regulations, as applicable.

We further state that such compliance is neither an assurance as to the further viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Restrictions on use

This certificate is issued solely for the purposes of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**Place: Kolkata
Date: 28TH May, 2016**

**For VPC & Associates
Chartered Accountants
Firm Registration No: 313203E
(R.K.Vyas)
(Partner)
Membership No. 51386**

ANNEXURE - 2**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 FOR FY 2015-16**

Name of the Director / CEO / CFO / Company Secretary / Manager	Designation	(i) Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2015-16	(ii) Percentage increase in Remuneration during 2015-16
Mr. Sanjiv Nandan Sahaya	Managing Director/CEO	8.33:1	No Increment
Mr. Rajnish Gambhir	Executive Director/CFO	4.63:1	No Increment
Mr. Ram Narayan Prajapati	Company Secretary	4.63:1	No Increment

Sl. No.	Description	Remarks
iii.	the percentage increase in the median remuneration of employees in the financial year;	35%
iv.	the number of permanent employees on the rolls of company;	89
v.	the explanation on the relationship between average increase in remuneration and company performance;	Increase in remuneration is in accordance with the Remuneration Policy of the Company. No Average Increase in Salary due to financial difficulties.
vi.	comparison of the remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration is in accordance with the Remuneration policy of the Company and is justified keeping in view the performance and size of the Company.
vii.	variations in the market capitalization of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over	The Company has not made any Public issue or Right issue, so comparison has not been made of current share price with public offer price. The Company's shares are listed in The Calcutta Stock Exchange Limited.

Sl. No.	Description	Remarks
	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 in case of listed companies, and in case of unlisted companies, the variations in the net worth of the company as at the close of the current financial year and previous financial year	
viii.	average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Due to Shortage of Finance, no increase in salary of any managerial personnel during financial year 2015-16
ix.	comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;	Remuneration is in accordance with the Remuneration policy of the Company and is justified keeping in view the performance and size of the Company.
x.	the key parameters for any variable component of remuneration availed by the directors;	No variable component.
xi.	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;	No employee received remuneration higher than the highest paid Director.

It is hereby affirmed that the remuneration to managerial personnel referred to above is as per the remuneration policy of the Company.

ANNEXURE- 3

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2016
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1)
of the companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

(i) CIN	L24224WB1948PLC017455
(ii) Registration Date	22/12/1948
(iii) Name of the Company	Associated Pigments Ltd.
(iv) Category/Sub-Category of the Company	Public Company Limited by shares
(v) Address of the Registered office & Contact details	18/1A, Hindustan Road, Kolkata-700 029 Tel: 91 33 2465 2433/2465 2434, Fax: 91 33 24650925 E-mail: apcalcutta@rediffmail.com Web site: www.associatedpigmentsltd.com
(vi) Whether Listed company	Yes
(vii) Name, Address and Contact details of Registrar and Transfer Agent	Niche Technologies Private Limited D-511, Bagree Market 71, B. R. B. Bose Road Kolkata – 700 001 Tel: 2235-7270/7271 E-mail: nichetechpl@nichetechpl.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SL. No.	Name and Description of main Products/services	NIC Code of the Product/service	% to total turnover of the Company
1.	Refined Lead/ Lead Alloys	24203	93.30%
2.	Others		6.70 %
Total			100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

SL. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
	Nil				

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				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
(a) Individual /HUF	6824603	362136	7186739	67.00	6824603	362136	7186739	67.00	Nil
(b) Central Govt.									
(c) State Govt.(s)									
(d) Bodies Corp	494750	100190	594940	5.55	494750	100190	594940	5.55	Nil
(e) Banks/FI									
(f) Any Other									
Sub-total (A) (1):-	7319353	462326	7781679	72.55	7319353	462326	7781679	72.55	Nil
(2) Foreign									
(a)NRIs									
Individuals -									
Other Individuals-									
Bodies Corp									
Banks/FI									
Any Other									
Sub-total(A) (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total shareholding of Promoter (A)=(A)(1)+(A)(2)	7319353	462326	7781679	72.55	7319353	462326	7781679	72.55	Nil

Category –wise Share Holding contd....

Category of Shareholders	No. of Shares held at the beginning of the year				No. of shares held at the end of the year				% Change
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public									
1. Institutions									
(a) Mutual Funds									
(b) Banks/FI									
(c) Central Govt									
(d) State Govt(s)									
(e) Venture Capital Funds									
(f) Insurance Companies									
(g) FIs									
(h) Foreign Venture Capital Funds									
(i) Other (Specify)									
Sub-total (B)(1):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.Non - Institutions									
(a) Bodies Corp									
(i) Indian	14277	96624	110851	1.03	14027	96624	110651	1.03	-0.001
(i) Overseas									
(b) Individual									
(l) Individuals holding nominal share capital upto Rs. 1 Lakh.	245104	1043664	1288768	12.02	267389	1074438	1341827	12.51	0.501
(i) Individuals holding capital in excess of Rs. 1 Lakh	1450143	94236	1544379	14.41	1430927	60193	1491120	13.90	-0.507
(c) Others NRI/OCBs	510		510	0.01	510		510	0.01	NIL
(d) Others– Clearing House Members	200		200	0.00	500		500	0.00	0.003
(e) Trusts	-	-	-	-	100	-	100	0.00	0.001
Sub-Total(B)(2)	1710184	1234524	2944708	27.46	1713453	1231255	2944708	27.45	Nil
Total Public shareholding of Promoter (B)=(B)(1)+(B)(2)	1710184	1234524	2944708	27.46	1713453	1231255	2944708	27.45	Nil
C. Shares of Custodian for GDRs & ADRs									
Grand Total (A+B+C)	9029537	1696850	10726387	100.00	9032806	1693581	10726387	100.00	Nil

(ii) Shareholding of Promoters

SL. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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.	Indian Lead Products Ltd.	15	0.000	Nil	15	0.000	Nil	Nil
2.	K. L. Commercial Pvt. Ltd.	494750	4.612	"	494750	4.612	"	"
3.	MAC Services Pvt. Ltd.	95600	0.891	"	95600	0.891	"	"
4.	Pigments & Chemicals Inds Pvt. Ltd.	4575	0.043	"	4575	0.043	"	"
5.	Abhinav Sahaya	84763	0.790	"	84763	0.790	"	"
6.	Amita Sahaya	11793	0.110	"	11793	0.110	"	"
7.	Divya Sahaya	12777	0.119	"	12777	0.119	"	"
8.	Gajraj Hospital Trustee Srinandan Sahaya	8000	0.075	"	8000	0.075	"	"
9.	Gurugrath Sahib Varanashi	8736	0.081	"	8736	0.081	"	"
10.	Kumud Nandan Sahaya	2970	0.028	"	2970	0.028	"	"
11.	Pammi Sahaya	2402350	22.397	"	2402350	22.397	"	"
12.	Rajiv Nandan Sahaya	12741	0.119	"	12741	0.119	"	"
13.	Rajiv Nandan Sahaya (HUF)	132419	1.235	"	132419	1.235	"	"
14.	Ramjanki Sebait Krishna Nandan Sahaya	8765	0.082	"	8765	0.082	"	"
15.	Ravi Nandan Sahaya	10771	0.100	"	10771	0.100	"	"
16.	Saloni Sahaya	1876641	17.496	"	1876641	17.496	"	"
17.	Sanjiv Nandan Sahaya	2163657	20.171	"	2163657	20.171	"	"
18.	Sanjiv Nandan Sahaya	397006	3.701	"	397006	3.701	"	"
19.	Shree Shiv Parvatijee Sebait R. N. Sahaya	26175	0.244	"	26175	0.244	"	"
20.	Shree Shivjee Sebait Keshri Nandan Sahaya	27175	0.253	"	27175	0.253	"	"
	Total	7781679	72.547		7781679	72.547		

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

SL. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Nos of Shares	% of total shares of the company	Nos of Shares	% of total shares of the company
1.	At the beginning of the year	7781679	72.55%	7781679	72.55%
2.	Date wise Increase/ Decrease in promoters share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer bonus/sweat equity etc.):	No Change	No Change	No Change	No Change
3.	At the End of the Year	7781679	72.55%	7781679	72.55%

(IV) Shareholding pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

<i>Sl No</i>	<i>Name</i>	<i>Holdings</i>	<i>% of Holdings</i>	<i>Address</i>
1	CHETAN CHANDAK	280000	2.61	FLAT -Q/4 CLUSTER - X, PURBACHAL HOUSING ESTATE, SALT LAKE, KOLKATA-700 097
2	UMESH KUMAR SOMANI	175000	1.631	FLAT NO . 303 SAPPHIRE MOON, PLONT NO D. 263 DURGA MARG, BANI PARK, JAIPUR- 302 023
3	KALPANA SOMANI	157500	1.468	F. N. 303 SAPPHIRE MOON, D-263 DURGA MARG, BANI PARK, JAIPUR-302023
4	RENU CHOWDHARY	112000	1.044	198 LAKE TOWN, BLOCK-B, KOLKATA-700 089
5	SRI GOPAL VYAS	105000	0.979	CD - 73 SALT LAKE, KOLKATA-700 064
6	BAIJNATH CHOWDHARY	70000	0.653	198 LAKE TOWN, BLOCK- B, KOLKATA - 700 089
7	MANJU AGARWAL	70000	0.653	RAMESHWARAM APRTMENT, 32A RAMAKRISHNA SAMADHI ROAD, BLOCK- B 2ND FLOOR FLAT NO 2D, KOLKATA - 700 054
8	MOHIT AGARWAL	70000	0.653	32A RAMKRISHNA SAMADHI ROAD, RAMESHWARAM APARTMENT, BLOCK- B 2ND FLOOR FLAT-2D, KOLKATA - 700 054
9	NEENA AGARWAL	70000	0.653	32A RAMKRISHNA SAMADHI ROAD, RAMESHWARAM APARTMENT, BLOCK- B 2ND FLOOR FLAT - 2D KOLKATA- 700 054
10	NITIN AGARWAL	70000	0.653	20 MAHARSHI DEBENDRA ROAD, 2ND FLOOR ROOM NO 33/1, KOLKATA-700 007
	GRAND TOTAL	1179500	10.996	

(V) Shareholding of Directors and Key Managerial Personnel:

(Date wise increase/ Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus sweat equity etc.)

Sl No.	Directors / KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		At the close of the year	
		No. of Shares	% of total shares of Company	change during the year	% of total shares of company	No. of Shares	% of total shares of Company
1	Mr. Ravi Nandan Sahaya	10771	0.10%	Nil	Nil	10771	0.10%
2	Mr. Sanjiv Nandan Sahaya (KMP)	2560663	23.87%	Nil	Nil	2560663	23.87%
3	Mr. Rajnish Gambhir (KMP)	500	0.00%	Nil	Nil	500	0.00%
4	Mr. Om Prakash Saxena	1601	0.01%	Nil	Nil	1601	0.01%
5	Mr. Yash Bharat Divecha	500	0.00%	Nil	Nil	Ceased	-
6	Mr. Sanjoy Sarda	1100	0.01%	Nil	Nil	1100	0.01%
7	Mr. Rajendra Sahay	500	0.00%	Nil	Nil	500	0.00%
8	Mrs. Pammi Sahaya	2402350	22.40%	Nil	Nil	2402350	22.40%
9	Mr. Rakesh Verma	300	0.00%	Nil	Nil	300	0.00%
10	Mr. R. N. Prajapati (KMP)	100	0.00%	Nil	Nil	100	0.00%
	Total at the beginning	4977285	46.40%	Nil	Nil	4977885	46.41%

- 1) *Date-wise changes not given due to nil changes during the year.*
- 2) *Mr. Sanjay Sarda appointed additional director during the year on 11th February, 2016 and his holding at beginning and end has been shown above.*
- 3) *Mr. Y. B. Divecha ceased to be a director on 5th January, 2016 and hence shares held by him at end of the year have not been shown.*

(VI) INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment (In Rupees)**

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the Beginning of the financial year				
(i) Principal Amount	79,18,15,131	2,49,18,669	2,50,00,000	84,17,33,800
(ii) Interest due but not paid	41,57,395	Nil	Nil	41,57,395
(iii) Interest accrued but not due	Nil	Nil	Nil	
Total(i+ii+iii)	79,59,72,526	2,49,18,669	2,50,00,000	84,58,91,195
Change in Indebtedness during the Financial year				
• Addition	5,51,20,404	Nil	Nil	5,51,20,404
• Reduction	Nil	62,57,000	Nil	62,57,000
Net Change	5,51,20,404	62,57,000	Nil	4,88,63,404
Indebtedness at the end of the financial year				
(i) Principal Amount	85,10,92,930	1,86,61,669	2,50,00,000	89,47,54,599
(ii) Interest due but not paid	Nil	Nil	Nil	Nil
(iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii + iii)	85,10,92,930	1,86,61,669	2,50,00,000	89,47,54,599

Note: Debts includes Borrowings against Bills Discounted and unsecured Security Deposit but does not include commitments of Guarantee/Buyers Credit.

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL*A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (In Rupees)*

SI No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total
		S.N. Sahaya (MD)	R. Gambhir (ED)	
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income -tax Act, 1961	10,80,000	6,00,000	16,80,000
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section17(3) Income - tax act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat equity	-	-	-
4.	Commission			
	- as % of profit	-	-	-
	- others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total(A)	10,80,000	6,00,000	16,80,000
	Ceiling as per the Act	42,00,000	42,00,000	84,00,000

B. Remuneration to the other directors (In Rupees)

Sl No.	Particulars of Remuneration	Name of MD/WTD/ Manager						Total Amount Rupees
		Ravi Nandan Sahaya	Om Prakash Saxena	Rajendra Sahaya	Yesh Bharat Divecha	Pammi Sahaya	Rakesh Verma	
1.	Independent Directors							
	• Fee for attending board committee meetings	N.A.	36,000	28,000	24,000	N.A.	20,000	1,08,000
	• Commission	N.A.	Nil	Nil	Nil	N.A.		Nil
	• Others, please specify	N.A.	Nil	Nil	Nil	N.A.		Nil
	Total (1)	N.A.	36,000	28,000	24,000	N.A.	20,000	1,08,000
2.	Other Non -Executive Directors							
	• Fee for attending board /committee meetings	16,000	N.A.	N.A.	N.A.	20,000	Nil	36,000
	• Commission	Nil	N.A.	N.A.	N.A.	Nil	Nil	Nil
	• Others, please specify	Nil	N.A.	N.A.	N.A.	Nil	Nil	Nil
	Total (2)	16,000	N.A.	N.A.	N.A.	20,000	Nil	36,000
	Total (B)=(1+2)	16,000	36,000	28,000	24,000	20,000	20,000	1,44,000
	Total Managerial Remuneration	-	-	-	-	-		18,08,000
	Overall Ceiling as per the Act							1,16,00,000

Note: - In view of Loss/Inadequacy of profit, overall ceiling on Managerial Remuneration has been computed as per Section-197 of the Act read with Schedule - V and Rule - 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (In Rupees)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	
		R.N.Prajapati Co- Secretary	Total
1.	Gross Salary	6,00,000	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income- tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section17(3) Income- tax act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat equity	Nil	Nil
4.	Commission		
	- as % of profit	Nil	Nil
	- others, specify....	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total	6,00,000	6,00,000

ANNEXURE TO DIRECTORS' REPORT**Annexure - 4**

Information as per Section 134(3)(m) of the Companies Act, 2013, read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of Directors' Report for the year ended 31st March, 2015.

1. Conservation of Energy :**(a) Energy Conservation measures taken :**

- (i) The Company follows strict norms for consumption of electricity/furnace oils, diesel and water.
- (ii) Close monitoring is done to ensure that electricity and other utilities are within the standard of per ton of lead produced.
- (iii) Achieving power factor standards nearing unity.
- (iv) Change of lighting from HPSV to LED in all the plants.

(b) Additional Investments and proposal for reduction of consumption of energy :

- (i) Installation of power factor banks to ensure near unity power factor.
- (ii) Change of lighting from HPSV to LED in all the plants.
- (iii) Installation of the VFD panels for main Pollution Control Blowers.

(c) Impact of the above measure :

The above measures should result in lower energy consumption/ton of lead produced.

Form – A**(a) Total Energy Consumption and Energy Consumption per tonne of production**

	Current Year	Previous Year
I. Power & Fuel Consumption		
Electricity		
Purchased Units	2160288	2315204
Total amount (Rupees)	19634081	21007833
Rate / Unit (Rupees)	9.09	9.37
Own general through D.G. Sets		
Units produced	3431	19054
Units per liter of Diesel Oil	6.25	4.23
Total Amount (Rupees)	30341	246578
Average cost / unit (Rupees).	8.84	12.94
Coal (specifying quality & where used)		
Steam Coal for Furnace		
Quantity (Tones)	41	59
Total Cost (Rupees).	339869	486162
Average Rate (Rupees)	8289	8240
Furnace Oil		
Quantity (Kg)	550258	356620
Total Cost Gross (Rupees)	12583986	10708742
Average Rate (Rupees)	22.87	30.03
Coal Gas		
Units (Cubic Meters)	594695	638969
Total Cost (Rupees)	5288195	6320798
Average Rate (Rupees)	8.89	9.89
Pet Coke		
Quantity (KG)	672160	733790
Total Cost (Rupees)	7219750	9497608
Average Rate (Rupees)	10.74	12.94

Consumption per tonne of production

	Standard <u>If any</u>	Lead Oxides		Refined/Antimony Lead	
		Current Year	Previous Year	Current Year	Previous Year
Electricity (Units)	NIL	442	444	60	81
Furnace Oil (Liters)	NIL	NIL	NIL	23	21
Coal (Kg)	NIL	134	161	NIL	NIL
Coal Gas (cubic mtr)	NIL	449	452	NIL	NIL
Pet Coke (Kg)	NIL	NIL	NIL	28	42

II. Form – B**1. Research & Development (R&D) :**

The Company's efforts are focused on increasing the recovery of Lead from scraps and reduction of Lead loss in slag.

2. Benefits derived as a result of the above R&D :

The Company has been able to control cost due to above.

3. Future Action Plan :

The Company shall continue its efforts to increase its recovery percentage.

4. Expenditure on R&D :

No specific expenditure incurred separately for R&D which is an ongoing process.

5. Technology Absorption, Adaptation and Innovation :

- (i) Continuous improvement in product quality and technology.
- (ii) New innovation in the area of lead alloys for the export market.
- (iii) Evaluation of new technologies in lead extraction for future use.

6. Particulars of Imported Technology in the last 5 years :

Technology imported for assembly of VRLA Batteries has been fully absorbed.

7. Foreign Exchange – Earnings & Outgo

Particulars	Current Year (Rs)	Previous Year (Rs)
(i) FOB value of exports	-	-
ii) Particulars of Foreign Currency Used:		
For Import of Raw Material	123,95,06,315	77,10,02,109
For Interest & Bank Charges	33,31,633	2,871
Total	124,28,38,948	77,10,04,980

Signatures to Annexures 1 to 4 of Directors Report

On behalf of the Board of Directors

Place: Kolkata
Date: 28th May, 2016

Ravi Nandan Sahaya
Chairman

Sanjiv Nandan Sahaya
Managing Director

Secretarial Audit Report**Annexure - 5**

[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]
FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2016

To,

The Board of Directors

Associated Pigments Limited
18/1A, Hindustan Road,
Kolkata – 700 029

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Associated Pigments Limited (hereinafter called “the Company”). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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 and in the manner reported hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Associated Pigments Ltd. for the financial year ended on March 31, 2016 according to the provisions of –

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, and dealing with client;
 - f. The Securities and Exchange Board of India (Delisting of Equity shares) Regulations, 2009;
 - g. The Securities and Exchange Board of India (Buyback of securities) Regulations, 2008;
 - h. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee stock purchase Scheme) Guidelines, 1999;
 - i. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi) Other Applicable Acts:
 - a. The Employees Provident fund and Miscellaneous Provisions Act, 1952
 - b. Employees' State insurance Act, 1948
 - c. Factories Act, 1948
 - d. Indian Contract Act, 1872
 - e. Income Tax Act, 1961 and Indian Tax Laws

- f. Industrial dispute Act, 1947
- g. The Payment of Bonus Act, 1965
- h. The Payment of Gratuity Act, 1972
- l. The Payment of Wages Act, 1936 and other applicable Labour Laws.
- j. Sexual harassment of woman at workplace (prevention, Prohibition and Redressal) Act, 2013

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by the institute of Company Secretaries of India.
- (ii) The Listing Agreements entered in to by the Company with Stock Exchanges

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

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change 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.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and related 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 meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

Place: Kolkata

Date: 28th May, 2016

B.N. KHANDELWAL
Company Secretary in Practice
ACS NO - 1614
CP NO - 1148

**INDEPENDENT AUDITOR'S' REPORT
TO THE MEMBERS OF ASSOCIATED PIGMENTS LIMITED**

Report on the Financial Statements

We have audited the accompanying financial statements of **ASSOCIATED PIGMENTS LIMITED**, which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement, and a summary of the significant accounting policies and other explanatory information for the year then ended, in which are incorporated the accounts of company's manufacturing units at Panskura (West Bengal), B T Road (Kolkata), Malwan (Uttar Pradesh) and Bharatpur (Rajasthan), Malwan and Bharatpur branches were not visited by us.

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 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 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 the 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 thereunder.

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 risk 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 Director's, 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 qualified audit opinion on the stand alone financial statements.

Basis for Qualified Opinion

- **Non provision of depreciation aggregating to Rs. 34,444,709/- including Rs. 10,915,857/- for the year under review due to inadequate profits as fully described in Note No. 2.02, had such provision been made the net profit for the year would have been reduced by Rs. 7,547,857/- (Deferred tax adjusted) and as on 31.03.2016 by Rs. 23,439,397/- and retained earnings would have been reduced by Rs. 523,729/-.**

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid 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, 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 statement on the matters specified in 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. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, 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. 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.
 - c. Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

- d. The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
- 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 are disqualified as on 31st March, 2016 from being appointed as director in terms of Section 164 (2) of the Act.
- f. Report on the Internal Financial Control under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 is enclosed as annexure to this report.
- 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 litigations on its financial position in its Financial Statements – Refer Note No. 2.09 to the financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note No. 2.09 & 2.11 to the financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place : Kolkata
Date : 28th May, 2016

For VPC & Associates
Chartered Accountants
Firm Registration No: 313203E
(R.K. Vyas)
(Partner)
Membership No. 51386

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading of "Report on other Legal and Regulatory Requirements" of our report of even date)

- 1.01 The Company has maintained proper records to show full particulars, including quantitative details and situation of Fixed Assets.
- 1.02 The Company has a regular program of verification in a phased manner to cover all its Fixed Assets at all locations, which in our opinion, is reasonable having regards to the size of the company and nature of assets. No material discrepancies have been noticed on such verification.
- 1.03 The title deeds of immovable properties are held in the name of the company.
2. The inventory except Materials in Transit has been physically verified at reasonable intervals during the year by the management and as explained to us no material discrepancies were noticed.
3. As per information and explanations given to us , the company has not granted any loans, secured or unsecured to companies, firm or other parties, covered in the register maintained under section 189 of The Companies Act, 2013. Therefore the provisions of the clause 3(iii)(a), (b) and (c) of the said order are not applicable to the company.
4. In respect of loans, investments, guarantees, and security, the provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevent provisions of the Act and the rules framed thereunder, where applicable . No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
6. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records.
- 7.01 According to the records of the company undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty and other material statutory dues have been generally regularly deposited with the appropriate authorities except in the undermentioned cases. According to information and explanations given to us, following undisputed amounts payable in respect of the aforesaid dues were outstanding as at March'31, 2016 for a period of more than six months from the date they became payable.

Nature of Statutory Dues	Period for which they relate	Amount (₹)
Excise Duty	2014-15	12,395,454
Excise Duty	2015-16	16,442,037

7.02 According to the information and explanation given to us and the records of the company examined by us, there are no dues of wealth tax and customs duty which have not been deposited on account of any dispute. The particulars of any dues of income tax, sales tax, service tax and excise duty as at 31st March, 2016 which have not been deposited on account of a dispute, are as under:

Name of Statute	Nature of Dues	Amount	Period to which the Amount relates	Forum where dispute is pending
West Bengal Sales Tax Act, 1994	Purchase Tax	21,085	1994-95	The West Bengal Commercial Tax Appellate & Revisional Board
-Do-	Central Sales Tax	61,699	1994-95	-Do-
-Do-	West Bengal Sales tax Interest Purchase Tax Penalty	327,200 20,731 99,981 10,000	2004-05	The West Bengal Commercial Tax Taxation Tribunal
Central Sales Tax Act, 1956	Central Sales Tax Penalty	230,940 15,000	2004-05	-Do-
Central Excise Act, 1944	Central Excise Penalty	1,156,939	2004-05	CESTAT EZB KOLKATA
West Bengal Value Added Tax Act, 2003	VAT Late fee Interest	497,443 4,000 31,674	2007-08	Company proposes to file Petition before Revisional Board
Central Sales Tax Act, 1956	Central Sales Tax Late Fee Interest	72,427 4,000 2,758	2007-08	-Do-
Central Excise Act, 1944	Central Excise	1,180,796	2004-05	Commissioner of Central Excise
Central Excise Act, 1944	Central Excise Penalty	4,449,417 4,449,417	2005-06	Central Excise Taxation Tribunal
Central Excise Act, 1944	Interest on interunit transfer	115,024	2007-08	Commissioner of Central Excise
Central Excise Act, 1944	Service Tax	71,982	2007-08	Commissioner (Appeals) I
Central Excise Act, 1944	Central Excise	2,248,441	2007-08	Commissioner of Central Excise
Central Excise Act, 1944	-Do-	5,360,875	2008-09	-Do-
Central Excise Act, 1944	Central Excise Penalty	5,360,875	2008-09	-Do-
Central Excise Act, 1944	Service Tax Demand Penalty	421,303 421,303	2009-10	Commissioner (Appeals) I

West Bengal Value Added Tax Act, 2003	VAT Penalty Late fee	1,263,376 2,500 250	2011-12	WB Commercial Tax Appellate & Revisional Board
Central Sales Tax Act, 1956	CST Interest Late Fee	1,384,300 64 2,100	2011-12	-Do-
West Bengal Value Added Tax Act, 2003	Penalty	5,795,635	2013-14	Taxation Tribunal
Central Excise Act, 1944	Central Excise	322,532	2015-16	Assistant Commissioner of Central Excise, Haldia
Central Excise Act, 1944	Central Excise	118,982	2015-16	-Do-
Central Excise Act, 1944	Central Excise	1,438,000	2015-16	-Do-
Central Excise Act, 1944	Service Tax	1,125,841	2015-16	Joint Commissioner of Service Tax

8. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion, that the company has not defaulted in repayment of dues to financial institutions, banks, Government or dues to debenture holders.
9. The company has not raised money by the way of initial public offeror further public offer (including debt instruments). However, the money raised by way of term loans were applied for the purpose for which the loans were obtained.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given by the Management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.
11. Managerial Remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
12. The company is not a Nidhi Company hence this clause is not applicable.
13. Based upon the audit procedures performed and according to the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial statements etc. as required by the applicable accounting standards.
14. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
15. The company has not entered into any non-cash transactions with directors or persons connected with him.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place : Kolkata
Date : 28th May, 2016

For VPC & Associates
Chartered Accountants
Firm Registration No: 313203E
(R.K. Vyas)
(Partner)
Membership No. 51386

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ASSOCIATED PIGMENTS LIMITED.

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 **ASSOCIATED PIGMENTS LIMITED** as of 31st March, 2016 in conjunction with our audit of the standalone 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. 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.

Auditors' 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 168 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 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.

Place : Kolkata
Date: 28th May, 2016

For VPC & Associates
Chartered Accountants
Firm Registration No: 313203E
(R.K. Vyas)
(Partner)
Membership No. 51386

BALANCE SHEET AS AT 31ST MARCH, 2016

Particulars	Note No.	As at 31st March 16 Rs.	As at 31st March 15 Rs.
I. Equity & Liabilities			
Shareholders' Fund			
(a) Share Capital	3	229,208,930	229,208,930
(b) Reserve & Surplus	4	(134,500,322)	(138,886,172)
		94,708,608	90,322,758
Non- Current Liabilities			
(a) Long Term Borrowings	5	209,307,137	214,454,645
(b) Other Long Term Liabilities	6	25,000,000	25,000,000
(c) Long Term Provisions	7	10,619,402	9,458,878
		244,926,539	248,913,523
Current Liabilities			
(a) Short Term Borrowings	8	343,095,374	504,152,278
(b) Trade Payables		484,374,118	379,965,379
(c) Other Current Liabilities	9	205,485,645	199,909,561
		1,032,955,137	1,084,027,218
Total :		1,372,590,284	1,423,263,499
II. Assets			
Non Current Assets			
(a) Fixed Assets	10		
(i) Tangible Assets		152,461,385	151,750,699
(ii) Intangible Assets		16,111,205	16,111,205
(iii) Capital Work-in-Progress		7,679,680	7,086,797
(b) Non Current Investments	11	10,150	10,150
(c) Deffered Tax Asset	12	131,664,408	133,635,408
(d) Long-Term Loans & Advances	13	12,223,223	10,341,478
		320,150,051	318,935,737
Current Assets			
(a) Inventories	14	863,857,915	942,887,221
(b) Trade Receivables	15	5,373,293	75,811,327
(c) Cash & Cash Equivalents	16	6,252,003	3,176,569
(d) Short - Term Loans & Advances	17	176,957,022	82,452,645
		1,052,440,233	1,104,327,762
Total :		1,372,590,284	1,423,263,499

Significant Accounting Policies

1

Notes on Accounts

2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board

For VPC & Associates
Chartered Accountants
Firm Registration No. : 313203E
(R.K. Vyas)

Rajnish Gambhir
Executive Director
(Chief Financial Officer)

Ravi Nandan Sahaya
Chairman

Partner
Membership No. 51386
Place : Kolkata
Date : 28th May, 2016

Ram Narayan Prajapati
Company Secretary &
Compliance Officer

Sanjiv Nandan Sahaya
Managing Director

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2016

Rs.

Particulars	Note No.	For the Year Ended 31-03-2016	For the Year Ended 31-03-2015
		Rs.	Rs.
Income			
Revenue From Operations	18	3,885,621,262	3,412,330,230
Less: Excise Duty		409,083,128	354,018,288
		3,476,538,134	3,058,311,942
Other Income	19	396,789	1,313,781
Total	(I)	3,476,934,923	3,059,625,723
Expenses			
Cost of Materials Consumed	20	3,035,656,404	2,501,102,899
Purchases of Stock-in-Trade	21	2,573,648	165,596,123
(Increase)/Decrease in Inventories of Finished Goods Work-in-Progress and Stock-in-Trade	22	(7,831,317)	(37,835,399)
Employee Benefits Expenses	23	42,500,316	42,576,301
Power & Fuel		45,096,222	48,351,721
Stores & Spares Consumed		34,630,084	64,650,417
VAT / Sales Tax /Service Tax		184,328,915	166,865,202
Foreign Exchange Fluctuations		149,557	(714,249)
Depreciation (Please refer Note-2.3)		39,991	-
Finance Cost	24	91,652,717	133,233,137
Other Expenses	25	41,781,536	37,038,863
Total	(II)	3,470,578,073	3,120,865,015
Profit / (Loss) Before Exceptional & Extraordinary Items & Taxes	(I)-(II)	(6,356,850)	(61,239,292)
Exceptional Items			
Prior Period Interest to Bank		-	(56,658,281)
Profit / (Loss) Before Extraordinary Items & Taxes		6,356,850	(117,897,573)
Profit on Conversion of Asset to Stock In Trade (Net of deferred tax liability of Rs.2,56,96,750/-)		-	99,044,755
Profit/(Loss) Before Tax		6,356,850	(18,852,818)
Tax Expense			
Current		-	-
Deferred Tax	12	1,971,000	(47,625,886)
Surplus/ (Deficit) For The Period		4,385,850	28,773,068
Earnings Per Share (of Rs 10/- each)	26		
Basic & Diluted before Extraordinary Items		0.41	(6.55)
Basic & Diluted after Extraordinary Items		0.41	2.68

Significant Accounting Policies
and Notes on Accounts1
2

The accompanying notes are an integral part of the Financial Statements

As per our attached report of even date
For VPC & AssociatesChartered Accountants
Firm Registration No. : 313203E
(R.K. Vyas)Partner
Membership No. 51386
Place : Kolkata
Date : 28th May,2016Rajnish Gambhir
Executive Director
(Chief Financial Officer)Ram Narayan Prajapati
Company Secretary &
Compliance Officer

For and on behalf of the Board

Ravi Nandan Sahaya
ChairmanSanjiv Nandan Sahaya
Managing Director

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	Year ended	Year Ended
	31st March, 2016	31st March, 2015
	Rs.	Rs.
A Cash Flow From Operating Activities		
Net Profit/ (Loss) Before Tax & Extraordinary items	6,356,850	(117,897,573)
Adjustments:		
(Profit)/Loss on Sale of Assets	(31,500)	(15,000)
Finance cost	91,652,717	189,891,418
Depreciation	39,991	-
Interest Income	(357,789)	(41,960)
Operating profit Before Working Capital Changes	97,660,269	71,936,885
Increase/(Decrease) in Long Term Provisions	1,160,524	1,469,314
Increase/(Decrease) in Trade Payables	104,408,739	107,736,517
Increase/(Decrease) in Other Current Liabilities	5,576,084	96,757,507
Decrease/(Increase) in Long - term loans and advances	(1,881,745)	(685,950)
Decrease/(Increase) in Inventories	79,029,306	(57,093,080)
Decrease/(Increase) in Trade & Other Receivables	70,438,034	(8,461,033)
Decrease/(Increase) in Short Term loans & Advances	(94,504,375)	23,254,139
Cash Generated from Operating Activities	261,886,836	234,914,299
Taxes paid (including earlier year taxes)	-	-
Net Cash flow from/(used in) Operating Activities (A)	261,886,836	234,914,299
B Cash Flow From Investing Activities		
Purchase of Fixed Assets(including Capital Work-in-Progress)	(1,347,062)	(6,836,213)
Proceeds from Sale of Fixed Assets	35,000	15,000
Interest received	357,789	41,960
Net Cash From Investing Activities (B)	(954,273)	(6,779,253)
C Cash Flow From Financing Activities		
Proceeds From / (Repayment of) Long Term Borrowings	(5,147,508)	91,375,051
Proceeds From / (Repayment of) Short Term Borrowings	(161,056,904)	(134,862,219)
Interest paid	(91,652,717)	(189,891,418)
Net Cash From Financing Activities (C)	(257,857,129)	(233,378,586)
Net Increase/(Decrease) in cash and cash equivalents(A+B+C)	3,075,434	(5,243,540)
Opening Cash and Cash Equivalent	3,176,569	8,420,109
Closing Cash and Cash Equivalent	6,252,003	3,176,569

NOTE:

- 1) The above "Cash Flow Statement" has been prepared under "Indirect Method".
- 2) Previous year's figures have been re-arranged/regrouped wherever considered necessary.
- 3) Cash and cash equivalents includes ;

Balance with Scheduled Banks

On Current Accounts	557,283	812,315
On Unpaid Dividends	836,300	836,751
Cash in hand (As Certified)	1,705,281	1,408,006
	3,098,864	3,057,072

Other bank balances

Fixed Deposits	3,153,139	119,497
	6,252,003	3,176,569

As per our attached report of even date

For and on behalf of the Board

For VPC & Associates
Chartered Accountants
Firm Registration No. : 313203E
(R.K. Vyas)
Partner
Membership No. 51386

Place : Kolkata
Date : 28th May, 2016

Rajnish Gambhir
Executive Director
(Chief Financial Officer)

Ram Narayan Prajapati
Company Secretary &
Compliance Officer

Ravi Nandan Sahaya
Chairman

Sanjiv Nandan Sahaya
Managing Director

ASSOCIATED PIGMENTS LIMITED**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016****NOTE NO. 1****CORPORATE INFORMATION**

The Company is engaged in producing Refined Lead and Lead Alloys at its plant at Panskura, (West Bengal) and Lead Oxides at its plants at B. T. Road (Kolkata), Malwan (UP) and Bharatpur (Rajasthan, which is discontinued from August, 2015)

1.01. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

In terms of policies followed from the past, the Financial Statements have been prepared under Historical Cost Convention in accordance with the generally accepted Accounting Principles and the provisions of the Companies Act, 2013. The company generally follows a Mercantile System of accounting and recognizes significant items of income and expenditure on an accrual basis as far as practicable.

1.02. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**a) Use Of Estimates**

The preparation of Financial Statements requires estimates and assumptions that affect the reported amount of Assets and Liabilities on the date of Financial Statements, Income and Expenses during the reporting period. Difference between the actual and estimates is recognized in the period in which it actually materializes.

b) Revenue Recognition

The income of the company is derived from the manufacturing and sale of goods. Sale is recognized at the point of delivery of product from factory / godown to customer. Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operations includes sale of goods, sales tax and excise duty. Inter unit transfer are treated as sale/purchase and recorded on delivery of goods.

The Governments Grants and Claims are recognized on receipt basis. Interest is recognized on time proportion basis. Consistent with the practice followed in past, advance license entitlements are reduced from the cost of raw materials. However amount in respect of other export incentives and claims receivable in eligible cases are credited on acceptance basis.

c) Fixed Assets and Depreciation

- i. Fixed Assets are stated at their original cost including all expenses attributable to bring the assets to its intended use less CENVAT Credit / Capital Subsidy availed on acquisition.
- ii. Intangible assets are stated at cost of acquisition less depreciation thereon.
- iii. Depreciation is accounted for on a straight line method at the rates prescribed under Schedule-II of the Companies Act, 2013 on the basis of useful life of the Assets revised. Uncharged Arrear depreciation due to loss/inadequate profit is disclosed by way of Notes. The arrear Depreciation has been recomputed in terms of Notification No. GSR 237(E) dated - 31/03/2014 issued by Ministry of Corporate Affairs.

d) Inventories

Inventories are valued at lower of cost and net realizable value as under after providing for obsolescence:-

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

- i. Raw Materials, Stores and spare parts are taken on weighted average cost excluding taxes and duties for which credit is available.
 - ii. Work-in-Progress is taken at weighted average basis.
 - iii. Finished Goods is taken on weighted average cost inclusive of Excise Duty paid on Ex-Factory Stock. No provisions are made for Excise Duty payable on stock lying inside the factory and this has no impact on the Profit and Loss of the company.
- e) **Foreign Currency Transactions**
Foreign currency transactions are recorded at the exchange rate on the date of transaction. The Foreign Exchange fluctuation on account of difference due to the exchange rate between the date of transaction and date of settlement including on translation of monetary items at the year end on revenue transactions are charged to the Statement of Profit & Loss. However in case of assets such items are adjusted in the cost of acquisition.
- f) **Employees Benefits**
- i. **Provident Fund**
Contributions payable to the recognized Provident Fund are charged to the Statement of Profit & Loss.
 - ii. **Gratuity**
The company has a Defined Benefit Plan comprising of Gratuity Fund. The liability for the gratuity is determined on the basis of independent actuarial valuation. Liability for gratuity is partly funded with a recognized Gratuity Fund managed by Bajaj Allianz Life Insurance Co. Ltd. Liability paid / payable to the employee retiring during the year is charged to the Statement of Profit & Loss.
 - iii. **Leave Encashments**
Leave encashment benefit on retirement is determined on the basis of independent actuarial valuation done at the year-end as per the requirements of Accounting Standard-15 on 'Employee Benefits' and such liability is provided for in the accounts.
Actuarial gains and losses, where applicable, are determined and recognized in the Statement of Profit and Loss. The Company recognizes gains and losses on curtailment or settlement of a defined benefit plan in the Statement of Profit & Loss as and when the curtailment or settlement occurs.
- g) **Accounting For Taxes On Income**
As per Accounting Standard 22, the Deferred Tax Assets and Liabilities are recognized on timing difference between taxable and accounting income applying the tax rate and laws enacted or substantially enacted on Balance Sheet date. Deferred tax income/assets are recognized to the extent there is virtual certainty to realize the same.
- h) **Impairment of Assets**
Loss arising on impairment (if any) is recognized when the carrying amounts of the assets of cash generating unit is less than the recoverable amount of those assets and charged to the Statement of Profit & Loss. The impairment loss recognized earlier is reversed in the year in which there is change in recoverable amount of impaired assets.
- i) **Provisions, Contingent Liabilities & Contingent Assets**
Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimate, provided for when :

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

- i. The Company has a present obligation as a result of a past event.
- ii. A probable outflow of resources is expected to settle the obligation and
- iii. The amount of the obligation can be reliably estimated. Reimbursement expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be feasible.
- iv. Contingent Liability is disclosed by way of notes in respect of :
 - (a) A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation
 - (b) A present obligation when no reliable estimate is possible
 - (c) A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, nor disclosed. Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

j) Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss.

NOTE NO. 2

Notes on Accounts

2.01 The Company is in the process of identifying the Micro Small and Medium Enterprises within the meaning of Micro Small and Medium Enterprises (Development) Act, 2006 and as such no provision of interest has been provided in the books of accounts.

2.02 Hitherto the depreciation for the year was calculated on the useful life of the Fixed Assets as per Schedule-II of The Companies Act, 2013. However from the year under review, the useful life of the few qualifying Assets is recomputed from eight years to twenty five years with effect from 01.04.2014 in accordance with the Notification No. GSR 237(E) dated - 31/03/2014 issued by Ministry of Corporate Affairs. As a result of which, non-provision of depreciation with effect from 01.04.2013 is reduced by Rs 14,490,957/- as detailed below :

Particulars	Rs.		
	Current Year		Previous Year (As per last published A/c)
i) Depreciation for FY 2013-14		12,021,291	12,021,291
ii) Depreciation for FY 2014-15 Less: Adjustment due to amendments in Schedule-II of The Companies Act, 2013 (as given above)	22,108,357 11,124,525	10,983,832	22,108,357
iii) Depreciation for FY 2015-16 Depreciation not provided----- (a)		10,915,857 33,920,980	- 34,129,648
iv) Arrear Depreciation on 1st April, 2014 due to revision of life of assets as per Schedule-II Less: Adjustment due to amendments in Schedule-II of The Companies Act, 2013 (as given above) ----- (b)	3,890,161 3,366,432	523,729	3,890,161
Total Depreciation not provided (a+b)		34,444,709	

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

In view of inadequate profit, depreciation has not been charged w.e.f 01.04.2013. The item no (i), (ii) & (iii) above has the effect of reducing the Net Profit after Tax (including Deferred Tax) for the year by Rs. 7,547,857/- and as on 31.03.2016 by Rs. 23,439,397/- (23,583,586/-).

Arrear Depreciation on 1st April, 2014 of 523,729/- (Rs.3,890,161/-) as stated in (iv) above will be adjusted with Retained Earnings in future.

2.03 Other Long Term Liabilities includes Rs.2.5 crores (Rs.2.5 crores) received in earlier years from a Body Corporate in terms of joint development agreement, adjustable against execution of long term contract as per terms of the agreement.

2.04 CIF Value of Imports

	Current Year	Previous Year
Raw Materials	1,239,506,315	771,002,109

2.05 Expenditure in Foreign Currency

	Current Year	Previous Year
Interest and Bank Charges	3,331,633	2,871

2.06 Managerial Remuneration of Key Managerial Personnel

	Current Year	Previous Year
Salary of Managing Director	1,080,000	1,080,000
Salary of Executive Director	600,000	600,000
Salary of Company Secretary	600,000	600,000
Overall	2,280,000	2,280,000

2.07 Value of Imported & Indigenous Raw Materials, Stores & Spare Parts Consumed

Particulars	Rs.	%	Particulars	Rs.	%
Raw Materials			Stores & Spares		
Imported	1,431,204,607	47.15	Imported	NIL	NIL
	(1,025,767,930)	(41.01)		NIL	NIL
Indigenous	1,604,451,796	52.85	Indigenous	34,630,084	100%
	(1,475,334,969)	(58.99)		(64,650,417)	100%
Total	3,035,656,403		Total	34,630,084	
Previous Year	(2,501,102,899)		Previous Year	(64,650,417)	

2.08 Related Party Transactions (AS-18)

A. List of Related Parties over which control of the Company exists – None.

B. Name of the Related Parties

Name of the Related Party	Relationship
a) Sanjiv Nandan Sahaya	Key Management Personnel
b) Rajnish Gambhir	-do-

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

c) Ram Narayan Prajapati	-do-
d) Pammi Sahaya	Relative of KMP
e) Saloni Sahaya	-do-
f) K.L.Commercial Pvt. Ltd.	Associate
g) Mac Services Pvt. Ltd.	-do-
h) Sahaya Properties & Investments (P) Ltd.	-do-

C. Transactions During the year with the parties

Nature of Transaction	Associates	KMP	Relatives of KMP	Total Amount
Expenses Paid/ Provided	-	3,113,603	110,600	3,224,203
	(-)	(3,724,792)	(114,468)	(3,839,260)
Unsecured Loan Received	250,000	-	-	250,000
	(-)	(-)	(-)	(-)
Unsecured Loan Repaid	57,000	-	-	57,000
	(127,082)	(535,000)	(233,000)	(895,082)

D. Closing Balance as on 31.03.2016 of the parties

Nature of Transaction	Associates	KMP	Relatives of KMP	Total Amount
Unsecured Loan Taken	611,669	3,050,000	-	3,661,669
	(418,669)	(9,500,000)	-	(9,918,669)

2.09 Contingent Liabilities not provided for in respect of

Particulars	Rs.	
	Current Year	Previous Year
Unredeemed Bank Guarantee	3,021,483	1,595,063
Claims against the Company not acknowledged as Debts	38,088,890	65,804,919
Bills Discounted with Banks / NBFC but not matured	299,933,498	78,659,275
Interest payable on Security Deposit if Long Term Contract not fulfilled	10,553,556	7,553,556
Contractual Obligation to NBFC for financial arrangement	16,695,083	NIL

2.10 Commercial Commitments not provided in respect of

Particulars	Rs.	
	Current Year	Previous Year
Contract for Import	94,886,247	454,615,179

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

2.11 Derivative Contracts entered into by the company outstanding as on 31st March 2016

Hedging Currency Related Risks	Rs.	
	Current Year	Previous Year
Forward Contracts	174,170,207	80,394,993

Foreign Currency Exposures that are not hedged by derivative instruments as on 31.03.16 amount to Rs. 64,161,754 (Rs. 14,623,412/-)

2.12 The company has single reportable segment of Lead products as per AS-17.

2.13 For better presentation and reporting the previous year figures have been rearranged/regrouped wherever considered necessary and has been shown in brackets.

2.14 Retirement Benefit (AS-15)

The details of the Company's defined benefit plans for its employees are as under :

**AMOUNT RECOGNISED IN THE BALANCE SHEET IN RESPECT OF
GRATUITY(FUNDED BY THE COMPANY):**

Expense Recognized in Statement of Profit / Loss :

	As at 31/03/2016 Gratuity	As at 31/03/2015 Gratuity
Current Service Cost	561,901	582,834
Past Service Cost	-	-
Interest Cost	532,328	427,778
Expected Return on Plan Asset	192,000	192,000
Curtailment cost	-	-
Settlement Cost	-	-
Actuarial gain/loss recognized in the year	(124,203)	473,837
Expense Recognized in Statement of Profit/Loss	778,026	1,292,449

Funded Status :

	As at 31/03/2016 Gratuity	As at 31/03/2015 Gratuity
Present Value of Obligation at end Year	7,432,129	6,654,103
Fair Value of Plan Asset at end Year	2,400,000	2,400,000
Funded Status	(5,032,129)	(4,254,103)
Unrecognized actuarial gain/loss at end of the year	-	-
Net Asset(Liability)Recognized in Balance Sheet	(5,032,129)	(4,254,103)

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

Movements in the Liability Recognized in Balance Sheet :

	As at 31/03/2016 Gratuity	As at 31/03/2015 Gratuity
Opening Net Liability	4,254,103	2,961,654
Expenses as above	778,026	1,292,449
Contributions–		
Closing Net Liability	5,032,129	4,254,103
Closing Fund/Provision at end of Year	7,432,129	6,654,103

Changes in Present Value of Obligations :

	As at 31/03/2016 Gratuity	As at 31/03/2015 Gratuity
Present Value of Obligation at Beginning of year	6,654,103	5,361,654
Acquisition Adjustment	–	–
Interest Cost	532,328	427,778
Past Service Cost	–	–
Current Service Cost	561,901	582,834
Curtailment cost	–	–
Settlement Cost	–	–
Benefits Paid	–	28,846
Actuarial gain/loss on Obligations	(316,203)	310,683
Present Value of Obligation at end of Year	7,432,129	6,654,103

Changes in Fair Value of Plan Assets

	As at 31/03/2016 Gratuity	As at 31/03/2015 Gratuity
Fair Value of Plan Asset at Beginning of year	2,400,000	2,400,000
Acquisition Adjustment	–	–
Expected Return on Plan Asset	192,000	192,000
Contributions	–	–
Benefits Paid	–	28,846
Actuarial gain/loss on Plan Asset	(192,000)	(163,154)
Fair Value of Plan Asset at End of year	2,400,000	2,400,000

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

Actuarial Assumptions :

	As at 31/03/2016 Gratuity	As at 31/03/2015 Gratuity
Mortality Table	IALM (2006-2008) ULTIMATE	LICI 1994-1996
Superannuation Age	58	58
Early Retirement & Disablement	5	5
Discount Rate	8	8.5
Inflation Rate	5	5
Return on Asset	8	8
Remaining Working Life	8	9
FORMULA USED	PROJECTED UNIT CREDIT METHOD	PROJECTED UNIT CREDIT METHOD

**AMOUNT RECOGNIZED IN THE BALANCE SHEET IN RESPECT OF
LEAVE ENCASHMENT (ACCRUED BUT NOT FUNDED)**

Present value of the funded defined benefit obligation**Expense Recognized in Statement of Profit / Loss :**

	As at 31/03/2016 Leave Encashment	As at 31/03/2015 Leave Encashment
Current Service Cost	690,990	258,327
Past Service Cost	-	-
Interest Cost	206,903	204,008
Expected Return on Plan Asset	-	-
Curtailement cost	-	-
Settlement Cost	-	-
Actuarial gain/loss recognized in the year	(78,428)	(129,851)
Expense Recognized in Statement of Profit/Loss	819,465	332,484

Funded Status :

	As at 31/03/2016 Leave Encashment	As at 31/03/2015 Leave Encashment
Present Value of Obligation at end Year		
Fair Value of Plan Asset at end Year		
Funded Status	Not applicable as	Not applicable as
Unrecognized actuarial gain/loss at end of the year	Scheme is unfunded	Scheme is unfunded
Net Asset(Liability)Recognized in Balance Sheet		

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

Movements in the Liability Recognized in Balance Sheet :

	As at 31/03/2016 Leave Encashment	As at 31/03/2015 Leave Encashment
Opening Net Liability	-	-
Expenses as above	819,465	(332,484)
Contributions	-	-
Closing Net Liability	819,465	(332,484)
Closing Fund/Provision at end of Year	3,187,273	2,804,775

Changes in Present Value of Obligations :

	As at 31/03/2016 Leave Encashment	As at 31/03/2015 Leave Encashment
Present Value of Obligation at Beginning of year	2,804,775	2,627,910
Acquisition Adjustment	-	-
Interest Cost	206,903	204,008
Past Service Cost	-	-
Current Service Cost	690,990	258,327
Curtailement cost	-	-
Settlement Cost	-	-
Benefits Paid	436,967	155,619
Actuarial gain/loss on Obligations	(78,428)	(129,851)
Present Value of Obligation at end of Year	3,187,273	2,804,775

Changes in Fair Value of Plan Assets :

	As at 31/03/2016 Leave Encashment	As at 31/03/2015 Leave Encashment
Fair Value of Plan Asset at Beginning of year		
Acquisition Adjustment		
Expected Return on Plan Asset	Not applicable as Scheme is unfunded	Not applicable as Scheme is unfunded
Contributions		
Benefits Paid		
Actuarial gain/loss on Plan Asset		
Fair Value of Plan Asset at End of year		

Actuarial Assumptions :

	As at 31/03/2016 Leave Encashment	As at 31/03/2015 Leave Encashment
Mortality Table	IALM (2006-2008) ULTIMATE	LICI 1994-1996
Superannuation Age	58	58
Early Retirement & Disablement	5	5
Discount Rate	8	8.5
Inflation Rate	5	5
Return on Asset	8	8
Remaining Working Life	8	9
FORMULA USED	PROJECTED UNIT CREDIT METHOD	PROJECTED UNIT CREDIT METHOD

As the scheme is unfunded, charges to Profit/Loss Account has been based on following assumptions:

1. Previous obligation was provided for at last accounting date.
2. Benefit to exits has been paid to debit of above provision.
3. Current obligation will be provided for at current accounting date.
4. The company has made provision for gratuity and leave encashment during the year amounting to Rs.1,597,491/-

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16	As at 31st March 15
	Rs.	Rs.
Note No. 3		
Share Capital		
Authorised shares		
110,00,000 (110,00,000) Equity Shares of Rs.10 each	110,000,000	110,000,000
122,00,000 (122,00,000) Non convertible Redeemable Preference Shares of Rs 10 each	122,000,000	122,000,000
18,00,000 (18,00,000) Unclassified Shares of Rs 10 each	18,000,000	18,000,000
	250,000,000	250,000,000
Issued, Subscribed and Paid-Up		
1,07,26,387 (1,07,26,387) Equity Shares of Rs.10 each	107,263,870	107,263,870
Less : Calls in Arrear	54,940	54,940
	107,208,930	107,208,930
122,000,00 (122,000,00) 5% Non Convertible Redeemable Preference Shares of Rs 10 each	122,000,000	122,000,000
	229,208,930	229,208,930

Rights, Preferences and Restrictions attached to Shares

- (i) The Company has one class of Equity Shares with equal rights for voting, dividend and equal right over surplus in case of winding up.
- (ii) 5% Redeemable Non Convertible (non cumulative) Preference Shares having preferential right over dividend and over surplus in case of winding up and these shares are Redeemable at the expiry of a term of 15 years i.e in the year 2028-29 from the year of issue in 2013-14 with an option to the Board of Directors to redeem at a premium.
- (ii) The Unclassified Shares are subject to the terms and conditions as may be attached there to by the Board/ General Body at the time of Issue, hence, rights, preference and verifications attached thereto cannot be stated.

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:-

Particulars	As at 31st March 16		As at 31st March 15	
	Nos	Amount (Rs)	Nos	Amount (Rs)
Issued & Paid-Up Capital				
Equity Shares of Rs. 10 each				
At the Beginning/End of the year	10,726,387	107,263,870	10,726,387	107,263,870
Less:Calls in arrear	-	54,940	-	54,940
Outstanding at the Beginning/ end of the year	10,726,387	107,208,930	10,726,387	107,208,930
5% Non-Convertible Redeemable Preference Shares				
At the Beginning/End of the year	12,200,000	122,000,000	12,200,000	122,000,000
Total paid Up Capital	22,926,387	229,208,930	22,926,387	229,208,930

There was no change in capital structure of the company during the year and hence no amount is shown for addition and reduction within the year.

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

b) Details of Shares held by Shareholders holding more than 5% of the aggregate shares in the Company

Share Holder	As at 31st March 2016		As at 31st March 2015	
	No.	% of holding	No.	% of holding
Equity Shares				
Mr. Sanjiv Nandan Sahaya	2,163,657	20.17	2,163,657	20.17
Ms Pammi Sahaya	2,402,350	22.40	2,402,350	22.40
Ms Saloni Sahaya	1,876,641	17.50	1,876,641	17.50
5% Non Convertible Redeemable Preference Shares				
Mac Services Private Limited	1,425,000	11.68	1,425,000	11.68
K. L. Commercial Private Limited	6,655,000	54.55	6,655,000	54.55
Sparrow Electronics Limited	800,000	06.56	800,000	06.56
Mrs Pammi Sahaya	1,100,000	09.02	1,100,000	09.02
Gemex International Private Limited	970,000	07.95	970,000	07.95
Sahaya Properties & Investment Private Limited	1,000,000	08.20	1,000,000	08.20

	As at 31st March 16	As at 31st March 15
	Rs.	Rs.
Note No. 4		
Reserves & Surplus		
Capital Reserve (As per last Account)	43,214,391	43,214,391
Securities Premium Account (As per last Account)	8,128,635	8,128,635
General Reserve (As per last Account)	120,713,000	120,713,000
Surplus in Statement of Profit and Loss		
Opening Balance	(310,942,198)	(339,715,266)
Profit / (Loss) for the period	4,385,850	28,773,068
Closing Balance	(306,556,348)	(310,942,198)
Grand Total	(134,500,322)	(138,886,172)

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

Note No. 5	As at 31st March 16	As at 31st March 15
Long Term Borrowings	Rs.	Rs.
Secured Loans		
Term Loans From a Bank (Secured by Personal Gurantee of a Director and Mortgage of right over property of Joint Borrower & Repayable in 105 equal monthly instalments starting April 2015) (Net of current maturities Rs. 6,056,856/-)	66,445,072	72,790,264
Working Capital Term Loan From NBFC (Secured by second charge over entire block of Fixed Assets of Panskura Unit & BT Road Unit in West Bengal. Also Exclusive Charge with Sub Registrar of Mortgages/Registrar for 2 prime properties located at Kolkata a) Plot No. 15NB, Block A, New Alipore b) 38/1, Alipore Road, Kolkata and guaranteed by a Director). The Loan has been restructured into Term Loan in September-2015 repayable in 108 equated monthly instalments (Net of current maturities Rs. 10,986,639/-)	123,288,008	115,458,232
Term Loan From Banks for Vehicle/Equipments (Secured by vehicle procured there against Repaybale with interest over a period of 60 months from the date of Borrowings) (Net of current maturities Rs. 375,095/-)	912,388	1,287,480
	190,645,468	189,535,976
Unsecured Loans		
a) Loan from Related parties		
From Directors and Relatives	3,050,000	9,500,000
From Bodies Corporate (not bearing interest)	611,669	418,669
b) Other Loans		
From Body Corporate	15,000,000	15,000,000
	18,661,669	24,918,669
	209,307,137	214,454,645
Note No. 6		
Other Long Term Liabilities		
Security deposit against Joint development of Property	25,000,000	25,000,000
	25,000,000	25,000,000
Note No. 7		
Long Term Provisions		
Provision for Employee Benefits	10,619,402	9,458,878
	10,619,402	9,458,878
Note No. 8		
Short Term Borrowings		
From Bank for Working Capital (Secured by Hypothecation of Stocks, Book-Debts & Other Movable Assets and Equitable Mortgage by Deposit of title deeds of Immovable Properties of Units located at Sodepur (WB), Panskura (WB) & Malwan (UP) and guaranteed by two Directors)	343,095,374	504,152,278
	343,095,374	504,152,278

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16	As at 31st March 15
	Rs.	Rs.
Note No. 9		
<u>Other Current Liabilities</u>		
Expenses Payable	23,023,231	31,495,322
Other Finance	59,632,965	34,829,245
Duties and Taxes	104,574,559	113,280,641
Unpaid Dividends	836,300	836,751
Current maturities of Long Term Borrowings	17,418,590	19,467,602
	205,485,645	199,909,561
Note No. 10 Fixed Assets		
Given separately in next page		
Note No. 11		
<u>Non-Current Investments</u>		
<u>Long Term, Unquoted at cost In Government Securities</u> (Certificates with Government Departments)		
Investment in 12 Years National Defence Certificates	7,100	7,100
Investment in National Savings Certificates	3,050	3,050
	10,150	10,150
Note No. 12		
<u>Deferred Tax Assets / Liabilities (Net)</u>		
Deferred Tax Liabilities comprises of following:		
Fixed Assets	(20,510,955)	(14,927,849)
Conversion of Land	(25,696,750)	(25,696,750)
Deferred Tax Assets comprises of following:		
Provision for Statutory Dues	25,664,826	33,123,519
On unabsorbed Business Loss and Depreciation	152,207,287	141,136,488
	131,664,408	133,635,408
Note No. 13		
<u>Long-Term Loans & Advances</u>		
<u>Security Deposits (Unsecured, Considered Good-Non Interest Bearing)</u>		
Deposits with Central Excise Department	2,200,000	2,200,000
Deposits with W.B.Commercial Tax Department	2,000,000	-
Other Deposits	8,023,223	8,141,478
	12,223,223	10,341,478

NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2016

Note 10
FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1st April '2015	Additions	Sold/ Adjustments	As at 31st March '2016	As at 1st April '2015	Depreciation during the year (*)	On Assets Sold/ Adjustments	As at 31st March '2016	As at 31st March '2016	As at 31st March '2015
(a) TANGIBLE ASSETS										
Freehold Land & Site Development	23,811,670	-	-	23,811,670	-	-	-	-	23,811,670	23,811,670
Buildings	2,516,790	-	-	2,516,790	648,876	-	-	648,876	1,867,914	1,867,914
Factory Godowns & Shed	41,616,598	-	-	41,616,598	20,876,040	-	-	20,876,040	20,740,558	20,740,558
Plant & Machinery	193,488,009	550,971	-	194,038,980	98,675,453	-	-	98,675,453	95,363,527	94,812,556
Water Tank & Tubewells	1,238,345	-	-	1,238,345	299,836	-	-	299,836	938,509	938,509
Electric Installations	8,009,926	-	-	8,009,926	6,049,791	-	-	6,049,791	1,960,135	1,960,135
Air Conditioners & Refrigerators	293,354	150,000	-	443,354	23,591	-	-	23,591	419,763	269,763
Computers	1,575,864	15,908	-	1,591,772	544,911	-	-	544,911	1,046,861	1,030,953
Furniture & Fittings	560,778	-	-	560,778	138,676	-	-	138,676	422,102	422,102
Office Equipments	369,270	37,300	-	406,570	79,039	-	-	79,039	327,531	290,231
Motor Car & Vehicles	10,001,313	-	(70,000)	9,931,313	4,395,006	39,991	(66,498)	4,368,499	5,562,814	5,606,307
TOTAL(a)	28,34,81,917	7,54,179	(70,000)	284,166,096	131,731,219	39,991	(66,498)	131,704,712	152,461,385	151,750,699
(b) INTANGIBLE ASSETS										
Technical Know-how	19,916,900	-	-	19,916,900	3,805,695	-	-	3,805,695	16,111,205	16,111,205
TOTAL(b)	19,916,900	-	-	19,916,900	3,805,695	-	-	3,805,695	16,111,205	16,111,205
(c) CAPITAL WORK-IN-PROGRESS										
	7,086,797	592,883	-	7,679,680	-	-	-	-	7,679,680	7,086,797
TOTAL (c)	7,086,797	592,883	-	7,679,680	-	-	-	-	7,679,680	7,086,797
GRAND TOTAL(a+b+c)	310,485,614	1,347,062	(70,000)	311,762,676	135,536,914	39,991	(66,498)	135,510,407	176,252,270	174,948,701
Previous Year(a+b+c)	309,477,581	6,863,213	(5,828,180)	310,485,614	141,284,588	-	5,747,674	135,536,914	17,494,870	-

(*) Please Refer Note - 2.02

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16	As at 31st March 15
	Rs.	Rs.
Note No. 14		
<u>Inventories</u>		
(a) Raw Materials	75,846,539	172,270,197
(b) Raw Material in Transit	50,498,968	65,678,778
(c) Work-in-Progress	540,087,476	514,520,176
(d) Finished Goods	33,355,009	49,514,836
(e) Traded goods	955,737	2,531,893
(f) Stock-in-Trade (Land)	124,822,000	124,822,000
(g) Stores and Spare Parts	38,292,186	13,549,341
	863,857,915	942,887,221
(Inventory included Rs. Nil (Rs. 2,72,79,687) for material received for Jobwork)		
Note No. 15		
<u>Trade Receivables (Net of Discounting -Rs.29.99 Crs. (Nil)</u>		
Unsecured due for a period exceeding six months		
Considered good	1,037,525	47,814,496
" Doubtful	-	2,459,084
Other Receivables (unsecured, considered good)	4,335,768	25,537,747
	5,373,293	75,811,327
Note No. 16		
<u>Cash & Cash Equivalents</u>		
Balance with Scheduled Banks		
On Current Accounts	557,283	812,315
On Unpaid Dividends	836,300	836,751
Cash in hand (As Certified)	1,705,281	1,408,006
	3,098,864	3,057,072
<u>Other bank balances</u>		
Fixed Deposits with Bank	3,153,139	119,497
(Margin money against Bank Guarantee, Receipts are lodged with bank under lien)		
	6,252,003	3,176,569
Note No. 17		
<u>Short Term Loans & Advances</u>		
Advances recoverable in cash or kind		
(Unsecured, Considered Good)	160,975,240	70,322,056
Balances with - Govt. Departments	15,981,782	12,130,589
	176,957,022	82,452,645

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16	As at 31st March 15
	Rs.	Rs.
Note No. 18		
Revenue From Operations		
Sale of products & Others		
Finished goods	3,271,852,257	2,663,823,345
Traded goods	4,046,928	199,867,505
Raw Materials	8,770,910	24,900,090
Sale of Services		
Jobwork Charges	7,757,023	3,013,669
	3,292,427,118	2,891,604,609
Add: Taxes & Duties	593,194,144	520,725,621
Gross Revenue from operation	3,885,621,262	3,412,330,230
Less: Excise duty paid	409,083,128	354,018,288
Revenue from operation (net)	3,476,538,134	3,058,311,942
Details of products sold		
Finished goods sold		
Refined Lead	1,464,054,341	1,125,126,070
Lead Alloy	1,606,228,506	1,278,720,660
Lead Oxides	201,569,410	259,976,615
	3,271,852,257	2,663,823,345
Sale of Stock in Trade		
Lead/Lead Alloy	2,806,254	198,957,505
VRLA Batteries	1,240,674	910,000
	4,046,928	199,867,505
Note No. 19		
Other Income		
Interest on Banks Deposits	357,789	41,960
Liabilities & Provisions no Longer Required Written back	-	1,071,021
Profit on Sale of Fixed Assets	31,500	15,000
Miscellaneous Income & Rent	7,500	185,800
	396,789	1,313,781

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16	As at 31st March 15
	Rs.	Rs.
Note No. 20		
Cost of Materials Consumed		
Inventory at the beginning of the year	144,990,510	26,114,565
Add:Purchases	2,966,512,433	2,619,978,844
Less:Inventory at the end of the year	75,846,539	144,990,510
Cost of raw materials consumed	3,035,656,404	2,501,102,899
Details of Raw Materials consumed		
Lead	2,040,552,384	1,188,029,191
Lead concentrate	31,448,818	9,889,952
Lead scraps etc.	963,655,202	1,303,183,756
	3,035,656,404	2,501,102,899
Details of Inventory of Raw Materials		
Lead	30,184,724	38,988,711
Lead scraps etc.	45,661,815	106,001,799
	75,846,539	144,990,510

Note:-

- (I) Cost of Raw Material Consumed includes purchase cost of raw material sold amounting to Rs.8,770,910/- (Rs.24,900,090/-) and it includes interunit transfer aggregating to Rs.28,668,228/- (Rs 11,796,000/-) for captive consumption. However, this accounting treatment has no impact on Profit / (Loss) of the Company.

Note No. 21		
Purchases of Stock In Trade		
Lead/Lead Alloy	2,573,648	164,986,063
VRLA Batteries	-	610,060
	2,573,648	165,596,123
Note No. 22		
(Increase) / Decrease in Inventories of Finished Goods, Work in Progress & Traded Goods		
(a) Inventory at the beginning of the year		
Stock in Trade	2,531,893	3,605,873
Finished Goods	49,514,836	5,007,429
Work-in-Progress	514,520,176	520,118,204
	566,566,905	528,731,506
(b) Inventory at the end of the year		
Stock in Trade	955,737	2,531,893
Finished Goods	33,355,009	49,514,836
Work-in-Progress	540,087,476	514,520,176
	574,398,222	566,566,905
(Increase)/Decrease In Inventories (a-b)	(7,831,317)	(37,835,399)

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16 Rs.	As at 31st March 15 Rs.
<u>Inventories of Finished Goods, Stock in Trade and Work-in-Progress</u>		
Finished Goods		
Lead / Lead Oxides	33,355,009	49,514,836
Stock in Trade		
Lead/Lead Alloy	955,737	2,531,893
Work-in-Progress		
Lead	540,087,476	514,520,176
Total Inventories	574,398,222	566,566,905
<u>Note No. 23</u>		
<u>Employees' Benefits Expenses</u>		
Salaries, Wages, Bonus, Other allowances etc.	38,751,049	38,265,040
Gratuity	778,026	1,321,295
Contribution to Provident and Others Funds	1,133,564	1,166,229
Workmen and Staff Welfare Expenses	1,837,677	1,823,737
	42,500,316	42,576,301
<u>Note No. 24</u>		
<u>Finance Costs</u>		
Interest to Banks and Others	85,847,269	188,964,585
Less: Prior Period Expenses	-	(56,658,281)
	85,847,269	132,306,304
Bank Charges	5,805,448	926,833
	91,652,717	133,233,137

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16 Rs.	As at 31st March 15 Rs.
Note No. 25		
Other Expenses		
Repairs and Maintenance		
Building	364,163	707,878
Machinery	11,162,117	9,554,089
Others	1,273,508	1,045,707
Packing Expenses	1,557,981	1,754,498
Pollution Control Expenses	657,283	1,769,726
Hire Charges of Machineries	30,000	-
Lease Rent for Machineries	308,000	924,000
Freight and Delivery Charges	12,038,890	10,280,424
Brokerage & Commission	31,778	79,334
Auditors Remuneration		
Statutory Audit Fees	400,000	
Tax Audit	100,000	
Other Professional Work	30,000	
	530,000	500,000
Cost Audit Fees	124,000	78,000
Internal Audit Fees	110,000	100,000
Directors Fees	144,000	128,000
Insurance	387,687	413,052
Legal and Professional Expenses	662,058	880,443
Miscellaneous Expenses	4,463,911	2,831,274
Bad Debts Written Off	2,459,085	-
Discount on sales	17,217	22,463
Motor Car Expenses	1,180,577	914,124
Printing, Postage & Telephone	1,096,759	1,013,136
Rent, Rates & Taxes	2,128,189	2,353,188
Travelling & Conveyance	1,054,333	1,689,527
	41,781,536	37,038,863

**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR
ENDED 31ST MARCH, 2016**

	As at 31st March 16 Rs.	As at 31st March 15 Rs.
Note No. 26		
Earnings Per Share(EPS)		
1. Basic/Diluted EPS before Extraordinary Item		
a. Net Profit / (Loss) after Tax	4,385,850	(70,271,687)
b. Paid Up Capital (Rs. 10 each)	107,263,870	107,263,870
c. Basic EPS (a*10/b)	0.41	(6.55)
2. Basic/Diluted EPS after Extraordinary Item		
a. Net Profit / (Loss) after Tax as per Accounts	4,385,850	28,773,068
b. Paid Up Capital (Rs. 10 each)	107,263,870	107,263,870
c. Diluted EPS (a*10/b)	0.41	2.68

Signatures to Note No. - 01 to 26**As per our attached report of even date****For and on behalf of the Board**

For VPC & Associates
Chartered Accountants

Firm Registration No. : 313203E

(R.K. Vyas)

Partner

Membership No. 51386

Rajnish Gambhir
Executive Director
(Chief Financial Officer)

Ravi Nandan Sahaya
Chairman

Place : Kolkata
Date : 28th May, 2016

Ram Narayan Prajapati
(Company Secretary &
Compliance Officer)

Sanjiv Nandan Sahaya
Managing Director



ASSOCIATED PIGMENTS LIMITED

Registered Office: 18/1A, Hindustan Road, Kolkata -700 029
Phone No. 033-2465 2433/34 Fax No.033-2465 0925
Website: www.associatedpigmentsltd.com, E-mail: aplcalcutta@rediffmail.com
CIN-L24224WB1948PLC017455

**ATTENDANCE SLIP (To be handed over at the entrance of the Meeting Hall)
(Annual General Meeting – 26th September, 2016 at 3.00 PM)**

I hereby record my presence at the **67th ANNUAL GENERAL MEETING** of the Company on Saturday, 26th September, 2016 at 3.00 PM at "Kalakunj (Kala Mandir)", 48, Shakespeare Sarani, Kolkata - 700 017.

Full Name of Member (In BLOCK LETTERS).....

Folio No. DP ID No.Client ID No.:

Full Name of Proxy (s) (In BLOCK LETTERS).....

Nos of Shares held..... Member/Proxy(s) Signature.....

Tear off here.....

Form No. MGT – 11 PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Company: **ASSOCIATED PIGMENTS LIMITED** CIN:L24224WB1948PLC017455

Registered Office : 18/1A, Hindustan Road, Kolkata -700 029

Name of Member/(s) :

Registered Address :

Email Id.....

Folio No. DP ID No. Client ID No.:.....

I/We, being a member(s) holding Equity Shares of above named Company hereby appoint:

1. Name..... Address.....

E-mail Id Signature.....or failing him/her

2. Name..... Address.....

E-mail Id Signature.....or failing him/her

3. Name..... Address.....

E-mail Id Signature.....

As my/our Proxy to attend and vote on (poll) for me / us, on my / our behalf at the **67th Annual General Meeting** of the Company to be held on **Monday, 26th September, 2016 at 3.00 PM** at Kalakunj (Kala Mandir), 48, Shakespeare Sarani, Kolkata - 700 017 and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Sl. No	Resolutions	Vote For	Vote Against
A. ORDINARY BUSINESS			
1	To adopt Audited Financial Statements, Report of Board of Directors and Auditors thereon for FY 2015-16		
2	To re-appoint Mr. Rajnish Gambhir, Director who retires by rotation		
3	To appoint Auditors & fix their remuneration		
B. SPECIAL BUSINESS			
4	To appoint Mr. Sanjay Sarda as Independent Director for five years		
5	To approve Change in Name of the company		
6	To adopt a new set of Regulations in Articles of Association		
7	To confirm appointment & remuneration of Cost Auditor for FY 2016-17		

Signed thisday of2016

Signature of Member.....

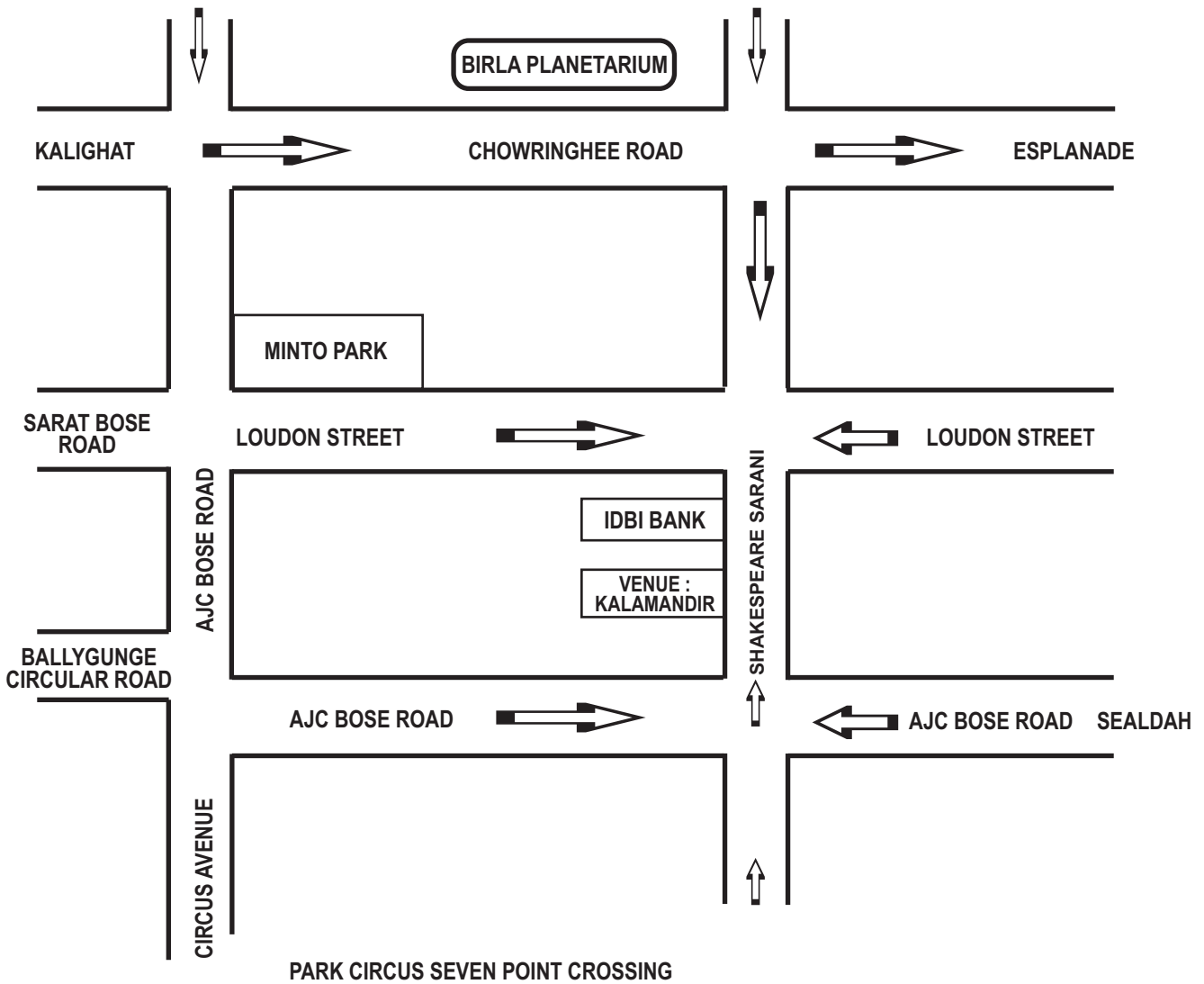
Signature of Proxy:.....

Affix Revenue Stamp

NOTE: The Form of Proxy duly completed must be deposited at the Regd Office of the company not later than 48 hours before time of commencement of the meeting.

ASSOCIATED PIGMENTS LIMITED

ROUTE MAP for 67th AGM Venue - 26th September, 2016, at 3 PM
VENUE - Kalamandir (Kalakunj), 48, Shakespeare Sarani, Kolkata - 700 017



NOTE : Shareholders coming to the venue should follow applicable one way Traffic system

**REGISTERED POST/COURIER
PRINTED MATTER**

If undelivered, please return to :

ASSOCIATED PIGMENTS LIMITED

18/1A, Hindustan Road (1st Floor)

Kolkata - 700 029

Phone : 2465 2433/34