

## Associated Pigments Limited

## ANNEXURE -1

## REPORT ON CORPORATE GOVERNANCE

(Hereinafter the Companies Act, 2013 has been referred to as 'the Act 'and shall be read accordingly)

## 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 long term growth for maximizing shareholders value.

## I. Board of Directors

The Board of Directors on 31st March, 2015 consisted of eight directors out of which two (25%) were Executives and Six (75%) were Non-Executives including Non-executive Chairman. The company had four (50%) Independent Directors on that date. The Independent and Non-executive directors are professionals with substantial experience in business, finance, law and corporate management. 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	1	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	3	Nil
5	Mr. Yash Bharat Divecha (DIN-06585017)	Independent Director	4	2	Yes	Nil	Nil
6	Mr. Rajendra Sahay (DIN-02633026)	Independent Director	4	4	Yes	Nil	Nil
7	Mrs. Pammi Sahaya (DIN- 2350838)	Woman Director Non-Executive	2	2	Yes	Nil	Nil
8	Mr. Rakesh Verma (DIN-7102952)	Independent Director	Nil	Nil	N.A.	Nil	Nil

Mr Sanjiv Nandan Shaya and Mrs Pammi Sahaya are relatives under Section-2(77) of the Act read with the Companies (Specification of definition) Rules, 2014. Directors in other companies above exclude alternate directorship and directorship of foreign companies, private companies and companies governed by Section-8 of the Act. A chairmanship/Committee member includes Audit Committee and Stakeholders Committee of public limited companies only.

### **Changes in Board of Directors :**

Mrs Pammi Sahaya was appointed as a woman director liable to retire by rotation at the Annual General Meeting held on 25th September, 2014. Sanjiv Nandan Sahaya and Mrs Pammi Sahaya are relatives (spouse) as per Section-2(77) of the Act. Mr Rakesh Verma was inducted as additional Independent director effective from 2nd March, 2015 by board at the Meeting held on 12/02/2015 and holds office till the date of this Annual General Meeting. The Board decided to segregate the post of Key Managerial Persons defined in Section-2(51) of the Act and accordingly Mr Sanjiv Nandan Sahaya , Managing Director was nominated as Chief Executive Officer with effect from 29/05/2014 and Mr Rajnish Gambhir , Executive Director was nominated as Chief Financial Officer with effect from 1st July,2014.

### **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 list 7 days' notice. The Board reviews and discuss 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 2015 on 29th May, 2014, 13th August, 2014, 12th November, 2014 and 13th February, 2015.

### **Profile of Directors Seeking Appointment /Reappointment is given below:-**

#### **1. Mr Ravi Nandan Sahaya**

Mr Ravi Nandan Sahaya (DIN-00059292) (Date of Birth- 3rd August, 1942) aged about 73 years has been associated with the company as member, director, Deputy Chairman, Vice-Chairman and as Chairman for a very long period. He is Non-Executive Chairman of the Board and also chairman of Member's Stakeholders Relationship Committee of the company. He holds Master Degree in English from Delhi University and has more than 47 years of experience in lead and zinc industry. Presently he is interested as director in four other companies namely (1) Chitransh Combines Satellite & Films Pvt. Ltd. (2) Sahaya Properties & Investment Pvt Ltd (3) Duars Commercial Co Ltd and (4) Mac Services Pvt. Ltd. He is not the Chairman/ committee member in any other public limited company. He holds 10771 number of Equity shares without change in his shareholding during the year. The Board has recommended his reappointment due to retirement by rotation at this Annual General Meeting.

#### **2. Mr Om Prakash Saxena ( Mr O.P. Saxena)**

Mr O.P. Saxena (DIN-01059659) ( Date of Birth- 8th August,1947) aged about 68 years is a Fellow member of The Institute of Chartered Accountants of India and has been on the by Board as independent director since 28th April,2010 . He is Chairman of Audit Committee and a member of Remuneration Committee and Member's Stakeholders Relationship Committee of the company. He has vast experience of above 46 years in the field of finance, accounting, audit , taxation and running & managing of commercial aspects of business. He is interested as director in 15 companies namely (1) Machine Tex Pvt Ltd, (2) Mary Gold Estates Pvt Limited, (3) Clone Force Power & Services Pvt Ltd, (4) Dinkar Commercials Pvt Ltd,(5) Quicker Vinimay Pvt Ltd (6) Vidhata Exports Pvt Ltd (7) Sirex Leasing & Finance Pvt Ltd,(8) Standard Investment Co Pvt Ltd, (9) Diplo

Mercantile Pvt Ltd, (10) Sonata Traders Pvt Ltd, (11) Sonata Deal Trade Pvt Ltd (12) Amazing Vinimay Pvt Ltd (13) Ortem Securities Ltd , (14) Eastern Housing Udyog Finance Ltd , and (15) Amri Hospitals Ltd and Partner in Saxena & Saxena, Chartered Accountants , Kolkata. He holds 1601 number of Equity shares without change in his shareholding during the year. The Shareholders had at the Annual General Meeting held on 25th September, 2014 approved his appointment for Five years up to 31st March, 2019. The Board has now recommended for revising his appointment as an Independent Director for a period of Five Years with effect from 1st April, 2015 to 31st March, 2020 and will not retire by rotation.

### 3. Mr Rajendra Sahay

Mr Rajendra Sahay (DIN-02633026) (Date of Birth- 29th October, 1952) aged about 63 years holds the degree of Bachelor of Science in Physics and MBA from XLRI, Jamshedpur. He has held senior positions like Vice-President, Managing Director in other companies in the past. He has more than 30 years experience in HR, Administration and Management of corporate sectors. He retired as Managing Director from Gujrat NRE Australia Pty Ltd. He is not interested as director of any other company or as Chairman / committee member of any other public limited company. He is also Non-Executive Chairman of Remuneration Committee, member of Audit Committee and Member's Stakeholders Relationship Committee of the company. He holds 500 number of Equity shares without change in his shareholding during the year. The Shareholders had at the Annual General Meeting held on 25th September, 2014 approved his appointment for Five years up to 31st March, 2019. The Board has now recommended for revising his appointment as an Independent Director for a period of Five Years with effect from 1st April, 2015 to 31st March, 2020 and will not retire by rotation.

### 4. Mr Rakesh Verma

Mr Rakesh Verma (DIN-7102952) (Date of Birth- 27th August, 1965 ) aged about 50 years was co-opted as additional Independent director effective from 2nd March, 2015 by board at the Meeting held on 12/02/2015 and holds office till the date of this Annual General Meeting. He holds a Master in Business Administration with specialization in personnel management and has more than 25 years experience in area of human resource, marketing , general administration in corporate sector. He holds 300 number of Equity shares without change in his shareholding during the year. The Board has now recommended for his appointment as an Independent Director for a period of Five Years with effect from 1st April, 2015 to 31st March, 2020 and will not retire by rotation.

Appointment letters of Independent Directors are given in the company's website: [www.associatedpigmentsltd.com](http://www.associatedpigmentsltd.com)

#### **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 Managing Director to this effect is appended to this report.

#### **Board Training and Induction**

At the time of appointment a formal letter of appointment is issued setting out in brief rights, duties and responsibilities as a director. By way of introduction, the director is provided with latest Annual Reports containing company's manufacturing facilities, performance and other host of information on operations and control.

#### **I. 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 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:-

#### Remuneration to Executive Directors and Relatives during FY 2014-15

Name of the Director	Rupees
Sri Sanjiv Nandan Sahaya, Managing Director	10,80,000/-
Sri Rajnish Gambhir, Executive Director	6,00,000/-
<b>Total</b>	<b><u>16,80,000/-</u></b>

#### Remuneration paid to Relative of Directors

Miss Saloni Sahaya, relative of Mr Sanjiv Nandan Sahaya and Mrs Pammi Sahaya has been paid salary of Rs. 114468/- for part of the year.

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

#### Remuneration to Non-Executive Directors during FY 2014-15

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 though Article 94 of the Articles of Association of the company has fixed it at Rs 5000/-.

#### Details of Remuneration paid to the non-executive directors during the financial year 2014-15

Name of the Director	Sitting fees	Commission	Total (Rs)
Sri Ravi Nandan Sahaya	20,000	-	20,000
Sri Om Prakash Saxena	36,000	-	36,000
Sri Rajendra Sahay	40,000	-	40,000
Sri Yash Bharat Divecha	20,000	-	20,000
Smt. Pammi Sahaya	12,000	-	12,000
<b>Total</b>	<b><u>1,28,000</u></b>	<b><u>-</u></b>	<b><u>1,28,000</u></b>

## II. Risk Management

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. The Company has formed Risk Management Committee under chairmanship of Mrs. Pammi Sahaya in which all executive directors and functional heads of operations are members. No meeting of the committee was held during the year.

**I. Committees of Board****Audit Committee**

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 Board Meetings	
			Held	Attended
1.	Mr Om Prakash Saxena	Chairman -Independent Director	4	4
2.	Mr Sanjiv Nandan Sahaya	Managing Director	4	4
3.	Mr. Yash Bharat Divecha	Independent Director	4	2
4.	Mr. Rajendra Sahay	Independent Director	4	4

Four Meetings of Audit Committee were held on 29th May, 2014, 13th August, 2014, 12th November, 2014 and 13th February, 2015.

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 revised Clause-49 of the Listing Agreement.

**Nomination and Remuneration Committee**

The Committee consists of three Independent directors to recommend / review appointment , remuneration, performance evaluation and related policy decision for executive members and Non independent directors and senior executives whose attendance is given below :-

Sl No	Name of Director	Status	No of Board Meetings	
			Held	Attended
1	Mr. Rajendra Sahay	Chairman -Independent Director	1	1
2	Mr Om Prakash Saxena	Independent Director	1	1
3	Mr. Yash Bharat Divecha	Independent Director	1	1

The Nomination and Remuneration Committee met once on 13th August, 2014. The Nomination and Remuneration Policy of the company has been posted in the website of the company.

**Stakeholder's Relationship Committee**

The Stakeholders' Relationship committee consists of Sri Ravi Nandan Sahaya (chairman), Smt Pammi Sahaya and Sri Rajendra Sahay. 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, issue duplicate/physical scrips, non-receipt of dividend etc. The Committee has delegated the authority for transfer/transmission and other routine share work for timely service to investors which are reported in quarterly meetings of the Board.

No complaints were received during the year. The Committee met once on 13th August, 2014.

#### **Corporate Social Responsibility**

The Corporate Social Responsibility committee consists of Smt Pammi Sahaya (Chairman), Shri Yash Bharat Divecha and Sri Rajendra Sahay. However 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.

#### **Performance Evaluation of Board/Committees/Directors**

Separate meeting of Independent directors without attendance of Non-independent directors was held on 13th February, 2015 for annual performance evaluation of non-independent directors and Board as a whole in the matter of quality, quantity, timeliness of information for effective and reasonable discharge of duties. The committee also evaluated performance of chairman of the Board taking views of Managing and Executive Directors. This was followed by Board Meeting which evaluated performance of Board, its committees and individual directors in which interested directors did not participate. The broad criteria for evaluation of individual directors were contribution and participation at Board/Committee Meetings, Attendance, Awareness of contemporary issues, preparedness, active participation, guidance for corrective action/measures, presentation skill etc. The evaluation of Board and its committees were based on criteria of composition, structure, effectiveness of Board/Committee process, formation of policy, information and functioning etc.

The committee and Board had also approved and recommended implementation of (i) Remuneration Policy and (ii) Vigilance Mechanism and Whistle Blower Policy and disclosed the same on website of the company [www.associatedpigmentsltd.com](http://www.associatedpigmentsltd.com).

#### **Related Party Transactions**

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 as defined under Listing Agreement. All transactions with Related Parties in compliance to Accounting Standard-18 are disclosed in Note-2.14 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 Board has been obtained for all such transactions during the year in compliance to Clause-49 of Listing Agreement. The Company policy on related Party transactions are posted in the website at the company [www.associatedpigmentsltd.com](http://www.associatedpigmentsltd.com).

#### **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.

#### I. Disclosures

##### 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.

##### General Body Meetings

The last three years annual general meetings were held at Kala Mandir (Kalakunj), 48, Shakeseare Sarani, Kolkata – 700017 on (i) 25th September, 2012 at 11.00 A.M., (ii) 26th September, 2013. At 3.00 P.M. (iii) 25th September, 2014 at 3.00 P. M.

Special Resolutions passed in the Three Annual General Meetings

Financial Year	Date of AGM	Subject matter of special resolution
2011-12	25-09-2012	Nil
2012-13	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 and 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 un classified shares
2013-14	25-09-2014	(i) Authority for Borrowing Power to Board - pursuant to the provisions of Section 180

(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- pursuant to Section 180(1)(a) and any other applicable provisions of the Companies Act, 2013 and Rules made thereunder

None of the subjects placed in the last three Annual General Meeting required approval by a postal ballot.

**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 all applicable mandatory requirements in terms of clause 49 of the Listing Agreement. 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.

#### **GENERAL SHAREHOLDER INFORMATION**

##### **Means of Communication**

The unaudited (Limited Review) quarterly financial results of the company were published in the newspapers viz. The Eco of India and The Aarthik Lipi and were also placed on the company's website [www.associatedpigmentsltd.com](http://www.associatedpigmentsltd.com).

##### **Annual General Meeting**

Date & Time : 26th September 2015 at 12.00 Noon  
 Venue : 'Sangit Kala Mandir Trust'( Kala Kunj )  
 48, Shakespeare Sarani, Kolkata – 700 017  
 Book Closure : 21st September to 26th September, 2015.

##### **Financial Calendar 2015-16 (Tentative)**

Annual General Meeting for FY 2015-16 - September, 2016

##### **Financial reporting for the quarter ending**

30th June 2015  
 30th September 2015

##### **Date of Board Meeting**

- Between 1st to 14th August, 2015  
 - Between 1st to 15th November, 2015



31st December 2015 - Between 1st to 15th February, 2016

31st March 2016 - Between 1st to 30th May, 2016

**Dividend Payment Date** - No dividend declared for FY 2014-15

#### Listing of Shares

##### Name of Stock Exchange

##### Stock Code

The Calcutta Stock Exchange Association Limited

11026

ISIN allotted by Depositories

INE 578E01019

(Company ID Number)

Annual listing fees for the year 2015-16 have been duly paid to the Stock Exchange excluding the Stock Exchanges derecognised by SEBI .

#### 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.

#### Shareholding pattern as on 31st March 2015

Particulars	No. of Shares of Rs. 10/- each	% to total
Promoters & Promoters Group	77,81,679	72.547
Bodies Corporate	1,10,851	1.033
Public Shareholding	28,33,147	26.413
Others	710	0.007
	<u>107,26,387</u>	<u>100.000</u>

**Distribution of Shareholding as on 31st March 2015**

Shareholding (Range)	No. of Shares	Percentage	No. of Members	Percentage
Upto 500	11,97,624	11.17	10776	97.71
501 to 1000	97,379	0.90	136	1.24
1001 to 5000	152780	1.42	72	0.65
5001 to 10000	66110	0.62	9	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
<b>Total</b>	<b>10726387</b>	<b>100.00</b>	<b>11028</b>	<b>100.00</b>

**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, 17,10,184 equity shares ( 58.08% ) have been dematerialized and balance 12,34,524 (41.92%) are in physical form as on 31st March 2015. The equity shares of the company are listed with Calcutta Stock Exchanges and listing fees upto FY 2014-15 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.

**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 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.

**Address for investor correspondence**

For transfer / dematerialization of shares  
and 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  
E-mail: nichetechpl@nichetechpl.com

For quarry relating to Annual Report,  
and Investors Grievances

Associated Pigments Limited  
18/1A, Hindustan Road, Kolkata - 700 029  
Contact Person : R.N. Prajapati  
Company Secretary & Compliance Officer  
Tel : (033) 2465-2433/2434 Fax : 033-24650925  
E-mail: rnprajapati15@aplgroupco.com

**Plant locations****1.B.T.Road**

260, Barrackpore Trunk Road  
Sodepur, Kolkata -700 115

**2.Panskura**

Vill: Kanakpur, Dist: Midnapore  
West Bengal

**3.Malwan**

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

**4. Bharatpur**

Malgodown Road,  
Bharatpur – 321 001, Rajasthan

**Chief Executive Officer & Chief Financial Officer Certification**

Mr. Sanjiv Nandan Sahaya, Managing Director and Mr. Rajnish Gambhir, Chief Financial Officer have furnished CEO-CFO certification on compliance as per Clause-49 of the Listing Agreement which is attached herewith.

**ANNUAL DECLARATION UNDER CLAUSE 49(II)(E) OF LISTING AGREEMENT WITH STOCK EXCHANGES**

As required under clause 49(II)(E) of the listing Agreement with stock exchanges, I hereby declare that all the board members and senior management personal of the company have complied with the code of conduct of the company for the year ended 31st March, 2015

Place: Kolkata

S. N. Sahaya

Dated: 14th August, 2015

Managing Director & CEO

**Certificate by Chief Executive Officer & Chief Financial Officer**

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

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 –

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March 2015 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
- (b) 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.
- (c) 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.
- (d) We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee –
  - (i) significant changes, if any, in the internal control over financial reporting during the year
  - (ii) significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place: Kolkata  
Dated – 29<sup>th</sup> May, 2015

Rajnish Gambhir  
Executive Director  
(Chief Financial Officer)

Sanjiv Nandan Sahaya  
Managing Director  
(Chief Executive Officer)

**Auditors' certificate on compliance of the provisions of the code of Corporate Governance in the listing agreement**

To,

The shareholders of Associated Pigments Limited, Kolkata

We have examined the compliance of conditions of Corporate Governance by Associated Pigments Limited, Kolkata for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Investors' Grievance Committee.

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

Place: Kolkata

Dated - 14th August, 2015

For VPC & Associates  
Chartered Accountants

(R. K. Vyas)  
Partner  
Membership No. 51386  
Firm Regn. No. 313203E