

**REPORT ON CORPORATE GOVERNANCE - FY 2017-18****ANNEXURE -1**

(In compliance to Regulations of SEBI (LODR) Regulations, 2015 hereinafter referred as Regulation)

**I. Company's Philosophy on Code of Governance**

The Corporate Governance comprises of set of systems and practices to be followed by Directors, Management and employees to ensure accountability, fairness and transparency in all transactions. The objective is to meet shareholders aspirations and expectations of society 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 to ensure growth and sustainability.

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

The Board of the company had optimum composition of Executive and Non-Executive Directors as per Regulation-17 which consisted of ten directors on 31<sup>st</sup> March, 2018, out of which five (50%) were Independent directors and 9 (90 %) were Non-Executives including Non-executive Chairman. All independent directors are professionals with substantial experience in business, finance, and law and business management and meet the criteria of independence as per law. The attendance of Board members at the five Board Meetings held during the Financial Year 2017-18 on 29<sup>th</sup> May, 24<sup>th</sup> July, 09<sup>th</sup> November and, 12<sup>th</sup> December during the year 2017 and on 09<sup>th</sup> February, 2018 was as under:-

Sl No	Name of Director	Status	No of Board Meeting		Attendance in last AGM	Director in Other Public companies	Chairman/ Committee Member in other companies
			Held	Attended			
1	Mr. Ravi Nandan Sahaya (DIN-00059292)	Chairman Non-Executive	5	4	Yes	1	Nil
2	Mr Sanjiv Nandan Sahaya (DIN-00019420)	Managing Director	5	5	Yes	Nil	Nil
3	Mr Om Prakash Saxena (DIN-01059659)	Independent Director	5	4	Yes	5	Nil
4	Mr. Sanjay Sarda (DIN- 00208161)	Director	4	2	Yes	1	Nil
5	Mr. Rajendra Sahay (DIN-02633026)	Independent Director	5	4	Yes	Nil	Nil
6	Mrs. Pammi Sahaya* (DIN- 02350838)	Woman Director	2	2	No	NIL	Nil
7	Mr. Rakesh Verma (DIN-7102952)	Independent Director	5	3	Yes	Nil	Nil
8	Prakash Kumar Damani (DIN-1166790)	Director	5	5	Yes	1	Nil
9	Rahul Damani (DIN-5216197)	Director	5	4	Yes	1	Nil
10	Bijan Roy (DIN- 02668395)	Independent Director	5	4	Yes	2	Nil
11	Kumud Kumar Dubey (DIN-07733333)	Independent Director	5	2	No	Nil	Nil
12	Roli Verma * (DIN-08137239)	Additional Independent Director	N/A	N/A	N/A	Nil	Nil

\* Mrs. Pammi Sahaya (SI 6) had resigned on 9<sup>th</sup> February, 2018 and Mrs. Roli Verma (SI-12) has been appointed on 18<sup>th</sup> May, 2018. Hence, they were not directors on 31<sup>st</sup> March, 2018. Mr. Rakesh Verna has resigned on 18<sup>th</sup> May, 2018 after close of financial year. All changes in composition of Board have been dealt with in the Directors Report.

All Directors in other companies stated above are Indian Companies only and does not include private limited 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.

The Board is entrusted with overall responsibility, of the day to day management, directions, policy making, control and performance of the company as per Act and SEBI (LODR), Regulations, 2015

### **2.2 Relationship between Directors Interest**

Mr. Rahul Damani is the son of Mr. Prakash Kumar Damani and son in law of Mr. Sanjay Sarma. Except them, no other directors on 31<sup>st</sup> March, 2018 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/Independent Directors during the year**

Mr. Sanjay Sarma was appointed as additional director by Board on 29<sup>th</sup> May, 2017 and was approved by Shareholders in 68<sup>th</sup> AGM held on 15<sup>th</sup> September, 2017. Mrs. Pammi Sahaya was earlier reappointed on 12<sup>th</sup> December, 2017 after her resignation on 29<sup>th</sup> May, 2017. Mrs. Pammi Sahaya has resigned on 9<sup>th</sup> February, 2018 and Mrs. Roli Verma has been appointed on 18<sup>th</sup> May, 2018. Hence, they were not directors on 31<sup>st</sup> March, 2018. Mr. Rakesh Verna has resigned on 18<sup>th</sup> May, 2018 after close of financial year. There is no other change during FY 2017-18 or thereafter till the date of this report.

All changes were duly recommended to the Board by the Nomination and Remuneration Committee in their separate meetings. Mr. Prakash Kumar Damani (DIN- 1166790) retires by rotation at the forthcoming Annual General Meeting and is eligible for reappointment. Mrs. Roli Verma (DIN- 08137239) appointed as an Additional Independent Director on 18<sup>th</sup> May, 2018 holds office till the conclusion of forthcoming Annual General Meeting and is eligible for reappointment as a director for 5 years and is not liable to retire by rotation. The Board has recommended the appointment/reappointment.

### **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 Management Discussion and Analysis Reports covering Production, Sales, Statutory payments and Compliances, Internal Audit Reports, Financial Results, Changes in Share-holding Structure, Investor Grievances, and all significant events etc. reported by the Management. Five Board Meetings were held during the financial year ending on 31<sup>st</sup> March 2018 - on 29<sup>th</sup> May, 2017, 24<sup>th</sup> July, 2017, 09<sup>th</sup> November, 2017, 12<sup>th</sup> December 2017 and 09<sup>th</sup> February, 2018.

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

#### **(i) Mr. Ravi Nandan Sahaya (DIN- 00059292)**

Mr. Ravi Nandan Sahaya (Date of birth – 3rd August, 1942) is associated with the company as member, director, deputy chairman, vice chairman and chairman for a very long period. He holds Master Degree in English literature from Delhi University and has vast experience of Lead and Zinc business. He is Non-Executive Chairman of the company since September, 2008 and also Chairman of Shareholders Grievance Committee. He has held 10771 number of equity shares throughout the year without any change. He is not a director in any other limited company nor relative of any director. Your directors recommend his appointment/continuation even though he has completed 75 years of age. None of the Directors or Key Managerial Personnel or their relatives except Mr. Ravi Nandan Sahaya, to whom the resolution relates is interested or concerned, financially or otherwise, in the aforesaid resolution.

**(ii) Mr. Prakash Kumar Damani (DIN- 1166790)**

Mr Prakash Kumar Damani (Date of Birth- 28<sup>th</sup> June, 1962) aged about 56 years. He is a commerce graduate from St. Xavier's College Calcutta University. He has more than 35 years of experience in management of commercial, financial, accounting and legal aspect and director in various companies. He has vast exposure in servicing to telecom infrastructure, water, Oil, gas, Pipeline and wireless services, equipment rental and engineering services to Idea, Aircel, Vodafone, Airtel, GTL, Indus Tower, Alcatel Lucent, Nokia, Nortel, Loop Tech etc. He is interested as director of one other limited company in Asia Filatex Limited. He does not hold any Shares of the Company. He is related inter-se with Mr. Rahul Damani.

**(iii) Mrs Roli Verma (DIN-08137239) - Independent Director ( Non-executive)**

Mrs Roli Verma (Date of Birth- 2<sup>nd</sup> August, 1969) aged about 48 years has been appointed as an Independent Director of the company by the Board at their Meeting held on 18<sup>th</sup> May, 2018. She holds the degree of Masters in Business Administration specializing in Human Resource Management, having experience of about 18 years in this field. She is not a director in any other public limited company. She does not hold any equity shares of the company and not a relative of any other director.

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

**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 relevant information on operations and control. They are also updated and informed about disclosure compliances at quarterly meetings Board/ Committee.

**2.7 Code of 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.

**Committees of Board****3. Audit Committee (as per Regulation- 18)**

The role, duties, responsibility and powers of the Audit Committee is as per Section-177 of the Act and Schedule-II, Part-C of the SEBI (LODR) Regulations, 2015. The Audit Committee as on 31<sup>st</sup> March, 2018 consisted of four directors out of which three (75%) are Independent and Non Executives and have relevant finance and audit exposure. Five Meetings of Audit Committee were held on 29<sup>th</sup> May, 24<sup>th</sup> July, 09<sup>th</sup> November and, 12<sup>th</sup> December in the year 2017 and 09<sup>th</sup> February, 2018.

The attendance thereof is given below.

Sl No	Name of Director	Status	No of Meetings	
			Held	Attended
1.	Mr. Bijan Roy	Chairman Independent Director	5	4
2.	Mr Sanjiv Nandan Sahaya	Managing Director	5	5
3.	Mr. Om Prakash Saxena	Independent Director	5	4
4.	Mr. Rajendra Sahay	Independent Director	5	4

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 Regulation 19 of SEBI (LODR) Regulation, 2015 such as oversight of financial reporting process and disclosure, 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 (as per Regulation- 19)**

The role, duties, responsibility and powers of the Nomination and Remuneration Committee is as per Section-178 of the Act and Schedule-II, Part-D of the SEBI (LODR) Regulations, 2015

The Committee consisted of three Independent directors on 31<sup>st</sup> March, 18. Four Committee meetings were held on 29<sup>th</sup> May, 2017, 09<sup>th</sup> November, 2017, 12<sup>th</sup> December, 2017 and 09<sup>th</sup> February, 2018 in which attendance was as below :-

Sl No.	Name of Director	Status	No of Nom & Rem. Committee Meetings	
			Held	Attended
1.	Mr. Om Prakash Saxena	Chairman Independent Director	4	3
2.	Mr. Rajendra Sahay	Independent Director	4	3
3.	Mr. Kumud Kumar Dubey	Independent Director	4	2

#### 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 remuneration. The non-executive directors are entitled to sitting fees. Presently, the company does not have any scheme for grant of stock options to directors or the employees. The details of remuneration paid are given below:-

##### **(a) Remuneration to Executive Directors and Relatives during FY 2017-18**

<b><u>Name of the Director</u></b>	<b><u>Rupees</u></b>
Sri Sanjiv Nandan Sahaya, Managing Director	21, 60,000/-

##### **(b) Remuneration paid to Relative of Directors**

No relative of any director was employed in the company during FY 2017-18.

##### **(c) Remuneration to Non-Executive Directors during FY 2017-18**

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 2016-17 are given below:

<b><u>Name of the Directors</u></b>	<b><u>Sitting Fees (Rupees)</u></b>
Sri Ravi Nandan Sahaya	20,000
Sri Om Prakash Saxena	44,000
Sri Rajendra Sahay	44,000
Sri Bijan Roy	32,000
Sri Sanjay Sarda	8,000
Sri Rakesh Verma	12,000
Smt. Pammi Sahaya	12,000
Sri Kumud Kumar Dubey	<u>16,000</u>
<b>Total</b>	<b><u>1,88,000</u></b>

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

This Committee considers and resolves all grievances of share-holders of the company including complaint related to transfer of shares, non-receipt of Annual Reports, non-receipt of share dematerialized/certificates, non-receipt of dividend etc.

The Stakeholders' Relationship committee consisted of Sri Ravi Nandan Sahaya (Non- Executive Chairman), Sri Sanjiv Nandan Sahaya, Smt Pammi Sahaya, and Mr. Rakesh Verma For any clarification / complaint, shareholders may contact Stakeholders' Relationship committee.

One complaint was received during the year and resolved in time. The Committee met once on 09/02/2018 in which all members were present .The committee has delegated the authority for transfer/transmission and other routine share-work for timely service to investors which are reported in every quarterly meeting of Board of Directors on a regular basis.

**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. Mr. Prakash Kumar Damani is member /chairman of the Board.

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 Committee periodically holds informal meetings with Executives/Management team.

**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 provisions of Sections 135 of the Companies Act, 2013 relating to Corporate Social Responsibility was not applicable to the company in Fy 2017-18 due to net-worth/turnover below the thesold limit prescribed in the Act. However, the company had formed a Corporate Social Responsibility Committee which consisted of three members namely Smt. Pammi Sahaya, Shri Kumud Kumar Dubey and Sri Rajendra Sahay. No meeting was held during the year. The Board of Directors has at their meeting on 18th May, 2018 decided to reconstitute the committee with Mrs Roli Verma to be its Chairperson.

**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. Moreover, the material related party contracts or arrangements entered to the coming in force of The SEBI (LODR) Regulations, 2015. All transactions with Related Parties in compliance to Ind AS -24 are disclosed in Note-2 in the Audited Financial Statement forming part of this Annual Report which are at arm's length price and do not attract Section-188 of the Companies Aet,2013. However approval of the Audit Committee and Board has been obtained for all such transactions during the year as per Regulation-23 of The SEBI (LODR) Regulations, 2015.

**11. 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.

**12. Disclosures 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.

**13. 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 and exports through bank.

**14. 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.

**15. General Body Meetings**

The last three years annual general meetings were held at Kala Mandir (Kalakunj), 48, Shakepeare Sarani , Kolkata - 700017 on (i) 26<sup>th</sup> September, 2015 at 12.00 Noon. (ii) 26<sup>th</sup> September, 2016 at 3.00 PM and (iii) 15<sup>th</sup> September, 2017 at 11.30 AM.

**16. Special Resolutions passed in the Three Annual General Meetings****(16.1) Financial Year 2014-15- Special resolutions passed at AGM held on 26/09/2015**

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

**(16.2) Financial Year 2015-16 -Special resolutions passed at AGM held on 26/09/2016**

- (i) Shareholders Approval for change of name of the company from Associated Pigments Limited to APL Metals Limited.
- (ii) Adoption of a new set of Articles of Association of the company as per Section - 5 and 14 and other applicable provisions of the companies Act, 2013.

**(16.3) Financial Year 2016-17- Special resolutions passed at AGM held on 15/09/2017**

- (i) To reappoint and approve remuneration of Managing Director for Three Years from 1<sup>st</sup> October 2017 to 30<sup>th</sup> September, 2020.

(ii) Approval of reclassification of Promoters holdings under Regulation-31A

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

**17. The Management Discussion and analysis report is already covered in Directors Report.**

**18. Means of Communication**

The unaudited quarterly, Half yearly and Audited financial results and other Notices/disclosures as per SEBI (LODR) Regulations is usually published in the newspapers in English and vernacular language in (1) The Eco of India (English) and The Aarthik Lipi (Bengali) . The financial Results and other Notices/disclosures as per SEBI (LODR) Regulations 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 financial Year 2017-18.

**19. GENERAL SHAREHOLDER INFORMATION**

**19.1 69th Annual General Meeting of Shareholders**

Date & Time: Friday, 14<sup>th</sup> September 2018 at 11.30 AM

Venue: Sangit Kala Mandir Trust'( Kala Kunj ) 48, Shakespeare Sarani, Kolkata - 700 017

Book Closure: 8<sup>th</sup> September, 2018 (Saturday) to 14<sup>th</sup> September, 2018 (Friday)

**19.2 Financial Calendar for FY 2018-19 (Tentative)**

Annual General Meeting for FY 2018-19 :

2nd Week of September, 2019

**19.3 Financial reporting for the quarterly Results**

Quarter ending 30th June 2018

**Date of Board Meeting**  
between 1st to 31st July, 2018

Quarter ending 30th September 2018

between 1st to 15th November, 2018

Quarter ending 31st December 2018

between 1st to 15th February, 2019

Quarter ending 31st March 2019

between 1st to 30th May, 2019

**19.4 Dividend Payment Date**

No dividend declared in FY 2017-18

**19.5 Listing of Shares / ISIN**

Name of Stock Exchange: The Calcutta Stock Exchange Association Limited

Stock Code : 11026

ISIN allotted by Depositories : INE 578E01019

Company ID Number (CIN) : L24224WB1948PLC017455

Annual listing fees up to March, 2018 have been paid to the Stock Exchange.

**19.6 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.

**19.7 Shareholding pattern as on 31st March 2018**

Particulars	No. of Shares of Rs. 10/- each	% to total
Promoters & Promoters Group	77,81,679	72.55
Bodies Corporate - Non Promoters	1,10,65	11.03
Public Shareholding	28,32,947	26.41
Others	1,1100	.01
<b>Total</b>	<b>107,26,387</b>	<b>100.00</b>



**Distribution of Shareholding as on 31<sup>st</sup> March 2018**

Shareholding Range	No. of Shares	Percentage	No. of Members	Percentage
Up to 500	11,85,537	11.05	10702	97.73
501 to 1,000	93,859	0.88	131	1.20
1,001 to 5,000	1,42,774	1.33	72	0.66
5001 to 10,000	79,701	0.74	10	0.09
10,001 to 50,000	2,58,970	2.41	16	0.14
50,001 to 1,00,000	6,69,223	6.24	9	0.08
1,00,001 & above	82,96,323	77.35	11	0.10
<b>Totals</b>	<b>107,26,387</b>	<b>100.00</b>	<b>10951</b>	<b>100.00</b>

**19.8 Dematerialization of shares and liquidity**

The shares of the company are in compulsory demat segment and are available for holding 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, 17,28,496` equity shares ( 58.70%) have been dematerialized and balance 12,16,212 (41.30%) are in physical form as on 31st March 2018. The equity shares of the company are listed with Calcutta Stock Exchanges and listing fees up to FY 2018-19 has been paid. Other Stock Exchanges have been derecognized by SEBI. The financials of the company does not meet with the criteria for listing with Bombay Stock Exchange.

**19.9 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 by the company as per delegated authority given by the Board. The process of Share Transfer is generally completed within two weeks and reported to the Board at every quarterly meeting.

Shareholders are therefore requested to correspond with the share transfer agent for transfer and 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.

**19.10 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 - 700001, Tel: 2235-7270/7271  
E-mail: nichetechpl@nichetechpl.com



**For any query on annual report / investors' Grievance**

To the company at address given below

**19.11 Address for Communication with the company**

The Company Secretary

APL Metals Limited

Regd. Office: 18/1A, Hindustan Road, Kolkata – 700029

E-mail: [aplcalcutta@rediffmail.com](mailto:aplcalcutta@rediffmail.com); Website: [www.associatedpigmentsltd.com](http://www.associatedpigmentsltd.com)

Telephone: 033- 2465 2433/34 (2 lines) Fax: 033 2465 0925

Name /Membership No of Compliance Officer: R.N. Prajapati – FCS-1889

**19.12 Plant Locations**

1. B.T.Road 260, Barrackpore Trunk Road Sodepur, 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

**20. DISCLOSURE OF DEMAT SUSPENSE ACCOUNT/UNCLAIMED SUSPENSE ACCOUNTS- NIL**

**21. Annual Certification under Regulation-26 of The SEBI (LODR) Regulations, 2015;**

As required under Regulation 26.3 of the SEBI (LODR) Regulations, 2015; I hereby confirm that all the board members and senior management personnel of the company have affirmed compliance with the code of conduct of the company during the year ended 31<sup>st</sup> March, 2018

Place: Kolkata

Dated: 18th May, 2018

Sanjiv Nandan Sahaya

(DIN – 00019420)

Managing Director & Chief Executive Officer

**Certificate by Chief Executive Officer & Chief Financial Officer under Reg- 33(2) and 17(8)**

While placing quarterly financial results CEO and CFO of the company; certify to the Board under Reg33(2) that the financial results do not contain (i) any false or misleading statement or figures and (ii) do not omit any material fact which makes the statements misleading. The Annual Certificate by CEO/CFO under Reg-17(8) is furnished below:-

**The Board of Directors****APL Metals Limited****18/1A, Hindustan Road, Kolkata - 700029**

To the best of our knowledge and belief, we certify that-

- (a) We have reviewed the financial statements and the cash flow statement for the year ended on 31<sup>st</sup> March 2018 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) There are no transactions entered into by the Company during the year, which are fraudulent, illegal or violate of the Company's code of conduct.
- (c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the same over the financial reporting of the Company and we have not come across any reportable deficiencies in the design or operation of internal controls.
- (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) There are no instances of significant fraud of which we have become aware.

Dated - 18th May, 2018  
Kolkata

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****APL Metals Limited**

We have examined the compliance of the conditions of Corporate Governance by APL Metals Limited (Formerly Associated Pigments Limited) having registered office at 18/1, Hindustan Road, Kolkata- 700029 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 year ended 31 March 2018.

**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 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: 18th May, 2018****For Sanjay Maheswary & Co*****Chartered Accountants*****Firm Registration No: 329718E****(Sanjay Kumar Maheswary)****(Proprietor)****Membership No. 51625**