

Annexure – 7**CORPORATE GOVERNANCE REPORT**

A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations" or "SEBI (LODR) Regulations, 2015") is given herein below:

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company believes that good Corporate Governance is a pre-requisite for achieving sustainable corporate growth and enhancing value for all stakeholders in the business. Good Corporate Governance emerges from transparency in business dealings and having in place robust systems and processes defining accountability, integrity, fairness and ethics in business practices, thereby fulfilling the responsibilities of corporate citizenship.

2. BOARD OF DIRECTORS**(a) Composition**

The Board of APM comprises of six Directors out of which three are Non-Executive Independent Directors including a Woman Director, One is Promoter Non-Executive Director, another is Promoter Executive Director & Chairman and one Managing Director.

The maximum tenure of Independent Directors is upto five consecutive years from the date of their appointment. However, they can be re-appointed for another term of five consecutive years. The dates of appointment and tenure of the existing Independent Directors are given below:

S. No.	Name of Independent Director	Date of appointment/ re-appointment	Date of completion of tenure
1.	Shri Khushi Ram Gupta	April 01, 2019	March 31, 2024
2.	Shri Ram Ratan Bagri	April 01, 2019	March 31, 2024
3.	Smt. Uma Hada	September 25, 2015	September 24, 2020

The letters of appointment have been issued to the Independent Directors and the terms and conditions thereof are posted on the Company's website.

The Board of Directors along with its Committees provides effective leadership and strategic guidance to the Company's management while discharging its fiduciary responsibilities, thereby ensuring that the management adheres to high standards of ethics, transparency and disclosures.

(b) Key Functions of the Board

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions performed by the Board of APM are:

- Reviewing and guiding corporate strategy, major plans of action, annual budgets and business plans, setting performance objectives, monitoring implementation & corporate performance and overseeing major capital expenditures, acquisitions and divestments;
- Monitoring effectiveness of the Company's governance, policies & practices and making changes as needed;
- Selecting, compensating, monitoring and when necessary, replacing Key Managerial Personnel and overseeing succession planning;
- Aligning Key Managerial Personnel and Board remuneration with the long term interests of the Company and its shareholders;
- Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board;
- Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions;
- Ensuring integrity of the Company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational controls and compliance with the laws & regulations and relevant standards in force;
- Overseeing the process of disclosure and communications;
- Monitoring and reviewing Board's Evaluation framework.

(c) Meetings of the Board

Meetings of the Board are generally held at the Corporate Office of the Company at 910 Chiranjiv Tower, 43, Nehru Place, New Delhi-110019. During the financial year 2018-19, the Board met six times as per the details mentioned below:-

S. No.	Date of Board Meeting
1.	May 08, 2018
2.	August 06, 2018
3.	October 10, 2018
4.	November 01, 2018
5.	February 04, 2019
6.	February 26, 2019

The Company has held a minimum of one Board Meeting in each quarter and maximum gap between two consecutive meetings did not exceed 120 days which is in compliance with the provisions of the Companies Act, 2013, Secretarial Standard-1 and Listing Regulations.

An annual calendar of meetings is prepared well in advance and shared with the Directors in the beginning of the year to enable them to plan their attendance at the meetings. Directors are expected to attend Board and Committee Meetings, spend the necessary time and meet as frequently as the situation warrants to properly discharge their responsibilities.

Concerned executives of the Company communicate the matters requiring approval of the Board to the Company Secretary, well in advance, so that these can be included in the Agenda for the scheduled Board/Committee Meeting.

Agenda papers are sent to the Directors, well in advance, before the meetings. Draft Minutes of the Board and Committee meetings are circulated to the Directors for their comments thereon and, thereafter, noted by the Board/respective Committee in its next Meeting.

Composition of the Board of Directors as on March 31, 2019 and attendance at the Board Meetings held during the Financial Year ended March 31, 2019 and at the last Annual General Meeting ('AGM') are given in table below:

Name and Designation	Category	Attendance at the Meeting	
		Board Meeting Attended	Last AGM Attended
Shri Rajendra Kumar Rajgarhia Chairman	Executive and Promoter	6	Yes
Shri S G Rajgarhia Director	Non-Executive and Promoter	6	No
Shri Hari Ram Sharma Managing Director	Executive	6	Yes
Shri Khushi Ram Gupta Director	Non-Executive and Independent	6	Yes
Shri Ram Ratan Bagri Director	Non-Executive and Independent	6	Yes
Smt. Uma Hada Director	Non-Executive and Independent	3	No

(d) Other Directorships

The number of directorships in other bodies corporate including the names of listed entities in which they are a Director and memberships/chairmanships of Board Committees as on March 31, 2019 are as given in table below:

Name of Director	No. of directorship in other Bodies Corporate*		No. of Chairmanship / Membership of Committees**		Directorship in other listed entities (category of Directorship)
	Public	Private	Chairmanships	Memberships	
Shri Rajendra Kumar Rajgarhia	1	1	-	-	Perfectpac Limited (Non Executive, Non Independent)
Shri S G Rajgarhia	1	4	-	1	-
Shri Hari Ram Sharma	-	2	-	1	-
Shri Khushi Ram Gupta	-	1	2	-	-
Shri Ram Ratan Bagri	1	1	-	2	-
Smt. Uma Hada	1	0	-	1	Uma Properties & Traders Limited (Non-Executive)

*Excluding APM Industries Limited, Section 8 companies and Limited Liability Partnerships.

**Pursuant to Regulation 26 of Listing Regulations, membership of Audit Committees and Stakeholders Relationship Committees of Indian Public Limited Companies, whether listed or not have been considered. Committees of APM Industries Limited are also included.

(e) Relationship between directors

None of the Directors are related to each other except Shri S G Rajgarhia being brother of Shri Rajendra Kumar Rajgarhia, Chairman of the Company.

(f) Information given to the Board

The Board and Committees thereof have complete access to all relevant information. Such information is submitted either as part of the agenda papers of the meetings in advance or by way of presentations and discussion material during the meetings. Such information, inter-alia, includes the following:

- Annual operating plans, budgets and any updates;
- Capital budgets and any updates;
- Annual and Quarterly results of the Company and its operating divisions or business segments;
- Minutes of the meetings of the Audit Committee and other Committees of the Board of Directors;
- Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of the Chief Financial Officer and the Company Secretary;
- Show cause, demand, prosecution notices and penalty notices, which are materially important;
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- Material default in financial obligations to and by the Company, or substantial nonpayment for goods sold by the Company;
- Issue which involves possible public or product liability claims of substantial nature;
- Details of any joint venture or collaboration agreement;
- Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- Significant labour problems and their proposed solutions including any significant development in Human Resources/ Industrial Relations front;
- Sale of investments, subsidiaries, assets which are material in nature and not in normal course of business;
- Quarterly details of foreign exchange exposures and the steps taken by the Management to limit the risks of adverse exchange rate movement, if material;
- Minutes of Board Meetings of unlisted subsidiary company(s);
- Statement of significant transactions or arrangements made by unlisted subsidiary companies;
- Non-compliance of any regulatory, statutory or listing requirements and shareholders services such as non-payment of dividend, delay in share transfer, etc;
- Quarterly statement showing status of investors complaints;
- Compliance Report pertaining to applicable laws and steps taken to rectify instance of non-compliance, if any; and
- Quarterly Compliance Report on Corporate Governance.

(g) Board Process

In sync with its policy of environmental preservation, the Company sends documents relating to Board and Committee meetings, including agenda papers and supplementary documents, to the Directors at least 7 days before the meetings.

Important decisions taken at the Board/ Committee meetings are promptly communicated to the concerned departments/divisions. Action Taken Report (ATR) on the decisions of the previous meeting(s) is placed at the next meeting of the Board/ Committee.

The Company has complied with the Secretarial Standard-1 on Meetings of the Board of Directors and Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India.

(h) Independent Directors

The term "Independent Directors" has been defined under Section 149 of the Companies Act, 2013 and rules made thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the disclosures received from the Independent Director, the Board has confirmed that they meet the criteria of Independence as mentioned under Section 149(6) of the Companies Act, 2013, read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time and are Independent of the management.

The Company has complied with the provisions with respect to appointment and term of Independent Directors which are consistent with the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors on the Board of the Company are given a formal appointment letter inter alia containing the terms of appointment, role, duties and responsibilities, code of conduct etc. The terms and conditions of appointment are available on the website of the Company at www.apmindustries.co.in. The web link for the same is <http://www.apmindustries.co.in/wp-content/uploads/2019/08/TC-IDs.pdf>

(i) Independent Directors Meeting

Independent Directors met on February 04, 2019, without the attendance of Non-Independent Directors and members of the management of the Company. The Independent Directors, inter alia evaluated performance of the Non-Independent Directors and the Board of Directors as a whole, also reviewed the performance of Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; for the Financial Year ended March 31, 2019. They also assessed the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

(j) Familiarisation Programme for Independent Directors

In Compliance with the Regulation 25 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company familiarises its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, Legal updates, etc. In this regard, the Company follows a structured familiarisation programme for the Independent Directors. The details related thereto are displayed on the Company's website www.apmindustries.co.in. The web link for the same is <http://www.apmindustries.co.in/wp-content/uploads/2019/05/Famprog04.pdf>

(k) Key Board qualifications, expertise and attributes

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensure that the Company's Board is in compliance with the highest standards of corporate governance.

In the table below, the specific areas of focus or expertise of Individual Board members have been highlighted. However, the absence of a mark against a members name does not necessarily mean the member does not possess the corresponding qualification or skill.

Directors	Area of Expertise					
	General Management and Business Operations	Leadership	Financials	Risk Management	Board service and Governance	Sales and Marketing
Shri Rajendra Kumar Rajgarhia Chairman	✓	✓	✓	✓	✓	✓
Shri S G Rajgarhia Director	✓	✓	✓	✓	✓	-
Shri Hari Ram Sharma Managing Director	✓	✓	✓	✓	✓	✓
Shri Khushi Ram Gupta Director	✓	✓	✓	✓	✓	-
Shri Ram Ratan Bagri Independent Director	✓	✓	✓	✓	✓	-
Smt Uma Hada Independent Director	✓	✓	✓	-	✓	-

(l) Number of share held by Board of directors as on March 31, 2019

Details of the shareholding held by Board of Directors as on March 31, 2019 are given in the table below:

Name of directors	Number of Shares	% of shareholding
Shri Rajendra Kumar Rajgarhia	3850000	17.81
Shri Hari Ram Sharma	1045	Nil
Shri S G Rajgarhia	573850	2.66
Shri Khushi Ram Gupta	Nil	Nil
Shri Ram Ratan Bagri	20000	0.10
Smt. Uma Hada	2002	Nil

3. Committees of the Board

To focus effectively on the issues and ensure expedient resolution of diverse matters, the Board has constituted several Committees of Directors with specific terms of reference. The Committees operate as empowered agents of the Board as per their terms of reference that set forth the purposes, goals and responsibilities. Committee members are appointed by the Board with the consent of individual Directors. The Committees meet as often as required or as statutorily required. Committees that are constituted voluntarily for effective governance of the affairs of the Company may also include Company executives.

The minutes of the meetings of all Committees of the Board are placed quarterly at Board meetings for noting.

Major Committees are:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee

The Company Secretary officiates as the Secretary of the Committees. Detailed terms of reference, composition, quorum, meetings, attendance and other relevant details of these committees are as under:

AUDIT COMMITTEE

The Audit Committee primarily constitutes a formal and transparent arrangement for accurate financial reporting and strong internal controls. The Committee through regular interaction with external and internal auditors and review of financial statements ensures that the interests of stakeholders are properly protected.

All members of the Audit Committee are financially literate and a majority has accounting or financial management expertise.

(i) Terms of reference:

The Audit Committee functions according to its terms of reference that define its authority, responsibility and reporting functions in accordance with the provisions of Companies Act, 2013 (hereinafter referred as 'the Act') and Regulation 18 read with Part C of Schedule II to the SEBI Listing Regulations, 2015 which, interalia, includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration, terms of appointment of auditors of the Company including their replacement or removal;
3. Approval of payment to statutory auditors for any other permitted services rendered by the statutory auditors;
4. Reviewing and examining, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Draft Auditors' report including qualifications, if any;
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing and monitoring, with the management, the statement of uses/ application of funds raised through an issue/ public offers (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take steps in this matter;
7. Reviewing and monitoring with the management, independence and performance of statutory and internal auditors, adequacy of the internal control systems, and effectiveness of the audit processes;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit;
9. Discussion with internal auditors on any significant findings and follow up thereon;
10. Reviewing the findings of any internal investigations by internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. To review the functioning of the Whistle Blower Policy (Vigil Mechanism);
14. Approval of appointment of CFO (i.e., the wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
15. Approval or any subsequent modification of transactions of the Company with related parties;
16. Scrutiny of inter-corporate loans and investments;

17. Valuation of undertakings or assets of the Company, wherever it is necessary;
18. Evaluation of internal financial controls and risk management system;
19. Review of Management discussion and analysis of financial condition and results of operations;
20. Review of Management letters / letters of internal control weaknesses issued by the statutory auditors;
21. Review of Internal audit reports relating to internal control weaknesses;
22. Review of Financial statement, in particular, investments made by the subsidiary company(s);
23. Review of appointment, removal and terms of reference of Chief Internal Auditor;
24. Recommend appointment and remuneration of Cost Auditors;
25. Any other role as prescribed by the Companies Act, 2013 and the SEBI Listing Regulations, 2015.
26. reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

(ii) Composition

As on date, the Committee comprises of Shri Khushi Ram Gupta, Chairman, Shri S G Rajgarhia, Shri Ram Ratan Bagri, Smt. Uma Hada, Members.

Invitees:

Shri Hari Ram Sharma, Managing Director is permanent invitee to the Audit Committee Meetings.

The representatives of Statutory Auditors and Internal Auditors, Chief Financial Officer and other executives, as desired by the Committee, attend the meetings as invitees.

(iii) Meetings, Quorum and Attendance

Audit Committee meets at least four times in a year with a gap of not more than 120 days between two consecutive meetings. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is higher with at least two Independent Directors.

During the FY 2018-19, the Committee met four times i.e. on May 08, 2018; August 06, 2018;

November 01, 2018 and February 04, 2019.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Shri Khushi Ram Gupta, Chairman	4	4
Shri S G Rajgarhia, Member	4	4
Shri Ram Ratan Bagri, Member	4	4
Smt. Uma Hada, Member	4	3

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee, constituted under Section 178 of the Act and Regulation 19 with Part D of Schedule II to the SEBI Listing Regulations, 2015, functions according to its terms of reference that define its authority, responsibility and reporting functions which, inter alia, include the following:

(i) Terms of reference:

The role of Committee is:

1. To identify persons who are qualified to become director in accordance with the criteria laid down and recommend to the Board, their appointment/ removal;
2. To identify persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board, their appointment / removal;
3. To formulate criteria for performance evaluation of independent directors and the Board and to carry out evaluation of every director's performance;
4. To formulate the criteria for determining qualifications, positive attributes and independence of a director;
5. To devise a policy on Board diversity;
6. To formulate and recommend to the Board policies relating to the remuneration for:
 - a. Directors;
 - b. Key Managerial Personnel; and
 - c. Other Employees of the Company;

7. To recommend remuneration payable to Managing Directors and Whole-time Directors;
8. To review and recommend nature of services rendered by any Director in other capacity and requisite qualification thereof;
9. To discharge the roles envisaged under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
10. To recommend the board, all remuneration, in whatever form, payable to senior management.”
11. Any other role as may be prescribed by law, from time to time.

(ii) Composition

As on date, the Committee comprises of Shri Khushi Ram Gupta, Chairman, Shri Rajendra Kumar Rajgarhia, Shri Ram Ratan Bagri, Smt. Uma Hada, Members.

(iii) Meetings, Quorum, Attendance

The Committee shall meet at least once in a year. During the FY 2018-19 the Committee met twice i.e. on August 06, 2018 and February 26, 2019. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is greater, including at least one Independent Director.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Shri Khushi Ram Gupta, Chairman	2	2
Shri Rajendra Kumar Rajgarhia, Member	2	2
Shri Ram Ratan Bagri, Member	2	2
Smt. Uma Hada, Member	2	1

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee oversees, inter alia, redressal of shareholder and investor grievances, transfer/transmission of shares, issue of duplicate share certificates, dematerialisation/ rematerialisation of shares and related matters in accordance with the provisions of the Act and Regulation 20 read with Part D of Schedule II to the SEBI Listing Regulations, 2015. Additionally, the Board has authorised the Company Secretary to exercise the powers of approving transfer/ transmission of shares. Normally, transfers/ transmissions are approved once in a fortnight.

(i) Terms of reference:

The role of Committee is:

1. To resolve the grievances of the security holders' complaints like non-transfer of securities, non-receipt of annual report, non-receipt of dividends/interest, issue of new /duplicate certificates, general meetings etc;
2. Review of measures taken for effective exercise of voting rights by shareholders;
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar and Share Transfer Agent;
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend/warrants/ annual reports/statutory notices by the shareholders of the Company; and
5. The Committee shall perform all such other functions as may be prescribed under The Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and/or any other law for the time being in force, including any statutory amendments, modifications made there under.

(ii) Composition

As on date, the Committee comprises of Shri Khushi Ram Gupta, Chairman, Shri Ram Ratan Bagri, Shri Hari Ram Sharma, Members.

Compliance Officer

Ms. Neha Jain*, Company Secretary of the Company is the Compliance Officer in terms of Regulation 6 of SEBI Listing Regulations, 2015.

**Ms. Neha Jain was appointed on May 29, 2019 as Company Secretary and Compliance Officer of the Company in place of Ms. Jyoti Upadhyay who has resigned w.e.f March 16, 2019.*

(iii) Meetings, Quorum, Attendance

The Committee shall meet at least once in a year. During the FY 2018-19 the Committee met twice i.e. on May 08, 2018 and November 01, 2018. The quorum for the meeting is either two members or one third of the members of the Committee, whichever is greater.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Shri Khushi Ram Gupta, Chairman	2	2
Shri Ram Ratan Bagri, Member	2	2
Shri Hari Ram Sharma, Member	2	2

(iv) Investors' Grievances/Complaints

During the FY 2018-19, No complaint was pending as on March 31, 2019.

(v) Transfers, Transmissions etc. approved

During the FY 2018-19, the Company has resolved 79 cases (involving 26650 equity shares) of transfer and 32 cases (involving 9365 equity shares) of transmission. There were no complaints pending as on March 31, 2019.

The Company had 9227 shareholders as on March 31, 2019.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Corporate Social Responsibility Committee has been constituted to review and oversee the Corporate Social Responsibility ('CSR') initiatives of the Company.

(i) Terms of reference

The role of the Committee is:

1. To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
2. To recommend the amount of expenditure to be incurred on the activities referred in the CSR Policy and review the same;
3. To monitor the CSR Policy including CSR projects/programmes;
4. Any other role as may be prescribed by law, from time to time.

(ii) Composition

As on date, the Committee comprises of Shri Rajendra Kumar Rajgarhia, Chairman, Shri Ram Ratan Bagri, Shri Hari Ram Sharma, Members.

(iii) Meetings, Quorum and Attendance

During the FY 2018-19, the Committee met four times i.e., on May 08, 2018, August 06, 2018, November 01, 2018 and February 04, 2019.

The quorum for the meeting is two members or one third of the members of the Committee, whichever is higher.

Attendance details of the members are given in the table below:

Name of the Committee Member	Meetings Held During Tenure	Meetings Attended
Shri Rajendra Kumar Rajgarhia, Chairman	4	4
Shri Ram Ratan Bagri, Member	4	4
Shri Hari Ram Sharma, Member	4	4

RISK MANAGEMENT COMMITTEE

The requirement for constitution of Risk Management Committee is not applicable on APM Industries Limited but voluntarily adopted by the Company. This Committee has been disposed off on August 01, 2019.

4. PERFORMANCE EVALUATION AND ITS CRITERIA

Pursuant to the provisions of the Act, the SEBI Listing Regulations, 2015 and the Performance Evaluation Policy of the Company, the Board has carried out annual evaluation of its performance, its Committees, Chairperson and Directors through structured questionnaire.

Performance of the Board was evaluated by each Director on the parameters such as its role and responsibilities, business risks, contribution to the development of strategy and effective risk management, understanding of operational programmes, availability of quality information in a timely manner, regular evaluation of progress towards strategic goals and operational performance, adoption of good governance practices and adequacy and length of meetings, etc. Independent Directors also carried out evaluation of the Board performance.

Board Committees were evaluated by the respective Committee members on the parameters such as its role and responsibilities, effectiveness of the Committee vis-a-vis assigned role, appropriateness of Committee composition, timely receipt of information by the Committee, effectiveness of communication by the Committee with the Board, Senior Management and Key Managerial Personnel.

Performance of the Chairperson was evaluated by the Independent Directors on the parameters such as demonstration of effective leadership, contribution to the Board's work, communication with the Board, use of time and overall efficiency of Board meetings, quality of discussions at the Board meetings, process for settling Board agenda, etc.

Directors were evaluated individually by the Board of Directors (excepting the Director himself) on the parameters such as his/ her preparedness at the Board meetings, attendance at the Board meetings, devotion of time and efforts to understand the Company and, its business, quality of contribution at the Board meetings, application of knowledge and experience while considering the strategy, effectiveness of follow-up in the areas of concern, communication with Board members, Senior Management and Key Managerial Personnel, etc. Nomination, Remuneration and Compensation Committee also carried out the performance evaluation of the individual Directors. The performance evaluation of the Non – Independent Directors was also carried out by the Independent Directors.

Outcome of the evaluation was submitted to the Chairman of the Company. The Chairman briefed the outcome of the performance evaluation to the Board.

5. REMUNERATION OF DIRECTORS

(a) Remuneration to Executive Directors

Details of the remuneration paid to Chairman and Managing Director during financial year 2018-19 are as under:-

Name of Director	Basic Salary	Benefits/Allowances/Perquisites	Pension/PF	Total
Shri R K Rajgarhia	5900000	4976132	-	10876132
Shri Hari Ram Sharma	5400000	4251979	21600	9673579

As on March 31, 2019, Shri Rajendra Kumar Rajgarhia held 3850000 and Mr. Hari Ram Sharma held 1045 equity shares in the Company.

(b) Remuneration to Non-Executive Directors

The Non-Executive Directors, except Shri S G Rajgarhia, do not have any material pecuniary relationship with the Company. Shri S G Rajgarhia's pecuniary relationship to the Company is limited to the extent of his shareholding which is 5,73,850 equity shares as on March 31, 2019 and the sitting fees received by him. He may also be deemed to have some pecuniary interest with respect to transactions of sale and purchase of materials with the Companies in which he is a director, brief details of the transactions with Related Party are provided in the Company's financial statements in accordance with the Indian Accounting Standards (IND-AS). The Non-Executive Directors are paid sitting fees for the Board/Committee Meetings attended by them and are not paid remuneration in any other form.

The details of sitting fees to the other Non- Executive Directors for year ended March 31, 2019 are as follows:

Name of Director	Board Meetings	Committee Meetings	Total
Shri Khushi Ram Gupta	120000	155000	275000
Shri S G Rajgarhia	120000	80000	200000
Shri Ram Ratan Bagri	120000	155000	275000
Smt. Uma Hada	60000	75000	135000

As on March 31, 2019, Shri Ram Ratan Bagri held 20,000 and Smt. Uma Hada held 2002 equity shares in the Company.

(c) Criteria for making payment to Non-Executive Directors

The Company considers the time and efforts put in by the Non-Executive Directors in deliberations at Board/Committee meetings. They are remunerated by way of sitting fees for attending the meetings and through commission as approved by the Board and members. The criteria have been defined in the Appointment and Remuneration Policy of the Company. The criteria are also displayed on Company's website. The web link for the same is <http://apmindustries.co.in/wp-content/uploads/2019/05/Remuneration-Criteria-NEDs.pdf>

(d) Details of Service Contracts, Notice Period, etc. of all the Directors for the financial year

Name of Director	Contract Period	Service Contract	Notice Period	Severance fees,
Shri Rajendra Kumar Rajgarhia	(Tenure) 01.06.2016 to 31.05.2021 (Chairman)	Yes	No	if any As decided by themanagement
Shri Hari Ram Sharma	01.06.2016 to 31.05.2021 (Managing Director)	Yes	No	As decided by themanagement
Non Executive Directors other than Independent	None The Non Executive Directors other than Independent Directors, liable to retire by rotation, get re-appointed as per the provisions of Articles of Association of the Company and the applicable provisions of Companies Act, 2013	No	No	None

6. GENERAL BODY MEETINGS

(a) The details of the last three Annual General Meetings (AGM) of the Company are as follows:

Financial Year	Date	Time	Location
2017-2018 (44 th AGM)	September 22, 2018	11:30 AM	SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019
2016-2017 (43 rd AGM)	September 25, 2017	11:30 AM	SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019
2015-2016 (42 nd AGM)	September 24, 2016	11:30 AM	SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar (Rajasthan) – 301019

(b) Special resolution passed during last three AGMs:

The details of the Special Resolution passed during last three AGM are mentioned below:-

AGM	Special Resolution Passed
44 th AGM	1) Revision in terms of remuneration of Shri Rajendra Kumar Rajgarhia (DIN: 00141766), Chairman of the Company. 2) Revision in terms of remuneration of Shri Hari Ram Sharma (DIN: 00178632), Managing Director of the Company.
43 rd AGM	No Special Resolution was passed.
42 nd AGM	1) To consider appointment of Shri Rajendra Kumar Rajgarhia as Chairman of the Company. 2) To consider appointment of Shri H R Sharma as Managing Director of the Company. 3) To keep Register and Index of Members at other place.

(c) Whether any Special Resolution(s) passed through Postal Ballot during Financial Year 2018-19

Postal Ballot Notice dated February 26, 2019, in respect of continuing the Directorship of a person as Non-Executive Independent Director who has attained 75 years of age, details as mentioned below :

Mr. Ravi Sharma [M. No. 4468] partner of RSM & Co., Company Secretaries in whole- time practice, Scrutinizer appointed by the Board had submitted his report containing the following result of the postal ballot (physical as well as e-voting).

Particulars of Resolution	Type of Resolution	No. of Votes polled	No. of Votes in favour	No. of Votes against	No. of invalid votes
Continuance of Directorship of Shri Khushi Ram Gupta (DIN: 00027295) as an Independent Non-Executive Director of the Company	Special Resolution	13771481	13766273	4833	375
Continuance of Directorship of Shri Ram Ratan Bagri (DIN: 00275313) as an Independent Non-Executive Director of the Company	Special Resolution	13771481	13766273	4833	375

(a) Whether any Special Resolution(s) are proposed to be passed through Postal Ballot

Special Resolutions as may be necessary under the Act/SEBI Listing Regulations, 2015 would be passed through Postal Ballot.

(b) Procedure for Postal Ballot

- The notices containing the proposed resolutions and explanatory statements thereto are sent to the registered postal/ email addresses of all shareholders of the Company alongwith a Postal Ballot Form and a postage pre-paid envelope containing the address of the Scrutinizer appointed by the Board for carrying out postal ballot process.
- The Postal Ballot Forms/e-voting received within 30 days of dispatch are considered by the Scrutinizer.
- The Scrutinizer submits his report to the Chairman/Managing Director of the Company, who on the basis of the report announces the results.
- The Company has entered into an agreement with National Securities Depository Limited (NSDL) for providing e-voting facility to its shareholders. Under this facility, shareholders are provided an electronic platform to participate and vote on the proposals of the Company.

7. MEANS OF COMMUNICATION

(a) **Quarterly Results:** The quarterly financial results are regularly submitted to the Stock Exchange where the securities of the Company are listed i.e BSE Limited.

(b) **Newspaper Advertisement:** The quarterly and annual financial results published in the leading newspapers i.e 'Business Standard' and regional newspapers like 'Seema Sandesh' and are simultaneously displayed on the website of the company i.e www.apmindustries.co.in.

- (c) **Website:** Various sections of the Company's website keep the investors updated on material developments of the Company by providing key and timely information like details of directors, financial results, annual reports, shareholding pattern etc. The website of the company is www.apmindustries.co.in.
- (d) The Investor Relations department of the Company regularly interacts with current and prospective investors and capital market intermediaries (brokers) who either invest in Company stocks and/or encourage investors to do the same. Investor Relations Department responds to all requests from investors and analysts, through calls/emails, with respect to the business profile and financial performance of the Company. The published results are shared after the Board meeting by uploading on the company's website for all interested stakeholders.
- (e) Annual Report is emailed to such shareholders whose email ids are registered with the Company/ Depositories.

8. **CODE AND POLICIES CONDUCT**

The Company has established the following salient codes and policies:

(a) **Code of Conduct**

The Company has formulated and implemented a Code of Conduct for all Board members and Senior Management. Requisite annual affirmations of compliance with the Code have been received from the Directors and Senior Management of the Company. A declaration signed to this effect by Shri Hari Ram Sharma, Managing Director is enclosed as **Annexure-A**. The Code of Conduct is posted on the Company's website. The web link of the same is <http://apmindustries.co.in/wp-content/uploads/2017/08/coc.pdf>.

(b) **Code of Conduct for Insider Trading**

The Company has formulated and implemented a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities of the Company by its Designated Persons. Dealing in the shares of the Company by the Designated Persons is effectively monitored for ensuring compliance with the Code.

Report on dealing in the shares of the Company by the Designated Persons is placed before the Chairman of the Audit Committee and the Board. The Code of Conduct is posted on the Company's website. The web link of the same is <http://apmindustries.co.in/model-code-of-conduct/>.

(c) **Code of Practices and Procedures for fair Disclosure of Unpublished Price Sensitive Information (UPSI)**

The Company has adopted a Code of Practices and Procedures for Fair Disclosure of UPSI with a view to facilitate prompt, uniform and universal dissemination of UPSI. The web link for the same is <http://apmindustries.co.in/wp-content/uploads/2019/05/COP-of-UPSI.pdf>.

(d) **Policy for Determination of Events and Information**

The Company has adopted a Policy for Determining Materiality of Events and Information for the purpose of making disclosure to the Stock Exchange. This policy aims to ensure timely and adequate disclosure of all material and price sensitive information to the Stock Exchange. The Policy is displayed on the Company's website. The web link of the same is <http://apmindustries.co.in/wp-content/uploads/2017/08/Policy-DME.pdf>.

(e) **Policy for Preservation of Documents**

The Company has a Policy for Preservation of Documents. The Policy facilitates preservation of documents in compliance with the laws applicable to various functions and departments of the Company. The web link for the same is <http://apmindustries.co.in/wp-content/uploads/2017/08/Policy-POD.pdf>.

(f) **Archival Policy**

The Company has adopted an Archival Policy, that lays down the process and manner of archiving the disclosures made to the Stock Exchange under the SEBI Listing Regulations, 2015. The Policy provides that such disclosures, shall be hosted on the website of the Company for a period of five years from the date of disclosure to the Stock Exchange. The Policy also lays down the manner of archiving these disclosures after the period of 5 years. The Policy has been posted on the Company's website. The web link of the same is <http://apmindustries.co.in/wp-content/uploads/2017/08/Policy-POD.pdf>.

(g) **Policy for Determining Material Subsidiaries**

This policy is displayed on the Company's website. The web link for the same is: <http://apmindustries.co.in/wp-content/uploads/2017/08/Policy-DMS.pdf>

(h) **Policy on Materiality of Related Party Transactions and Dealing with Related**

Party Transactions

This policy is displayed on the Company's website. The web-link for the same is <http://apmindustries.co.in/wp-content/uploads/2019/08/Policy-RPT.pdf>.

No material Related Party Transaction was entered into during FY 2018-19.

(i) **Whistle Blower Policy**

APM has a robust Whistle Blower Policy to make the workplace at APM conducive to open communication regarding business practices. It enables the Directors and full time employees to voice their concerns or disclose or report fraud, unethical

behaviour, violation of the Code of Conduct, questionable accounting practices, grave misconduct, etc. without fear of retaliation/ unlawful victimization/ discrimination which is a sine qua non for an ethical organization.

The Whistle Blower Policy has been posted on the Company's website. The web-link for the same is: <http://apmindustries.co.in/wp-content/uploads/2017/08/Policy-WBM.pdf>

(j) Corporate Social Responsibility (CSR) Policy

The Company's CSR policy is displayed on Company's website. The web-link for the same is: <http://apmindustries.co.in/wp-content/uploads/2017/08/Policy-CSR.pdf>

(k) Nomination and Remuneration Policy

The Company's policy on appointment and remuneration of the Directors, Key Managerial Personnel and other employees is attached. The web link for the same is <http://apmindustries.co.in/wp-content/uploads/2019/08/Policy-NRC.pdf>

9. DISCLOSURES

- (a) APM Finvest Limited is not the Wholly owned subsidiary of APM Industries Limited, pursuant to the scheme of Arrangement w.r.t. demerger as specified in Board Report.
- (b) There are no materially significant transaction with the related parties viz. Promoters, Director or the Management, their subsidiaries or relatives, etc. that may have a potential conflict with the interests of the Company at large. Related party transactions are given at Note No. 50 of Notes to the Financial Statements in the Annual Report.
- (c) The Company has complied with various rules and regulations prescribed by the Stock Exchange, SEBI or any other statutory authority relating to the capital markets and no penalties or strictures have been imposed by them on the Company during last three years.
- (d) Detailed notes on risk management are included in the Management Discussion Analysis section.
- (e) The Company has complied with the requirements specified in Regulation 17 to 27 and Clause (b) to (i) of sub-regulation 2 of Regulation 46 of SEBI Listing Regulations, 2015, as amended from time to time.
- (f) Pursuant to Schedule VI, Regulation 39 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 5A of SEBI Listing Agreements, the Company had already sent reminder letters to those shareholders whose shares are remaining unclaimed and lying with the Company/ Registrars and Share Transfer Agents.
- (g) Details of total fees paid to Statutory Auditors are provided in Note No. 36.2 to the financial Statements forming part of Annual Report.
- (h) During the year under review, the Company did not raise any proceeds through a public issue, rights issue and/or preferential issue.

10. GENERAL SHAREHOLDERS' INFORMATION

(a) Date, Time and venue for 45th Annual General Meeting

As per notice of 45th Annual General Meeting.

(b) Financial Year and Financial Calendar

The Company observes April 1 to March 31 of the following year as its Financial Year. The Financial Calendar for year 2019-20 is as follows:

Item	Tentative Dates*
First Quarter Results	August 01, 2019
Second Quarter Results	November 14, 2019
Third Quarter Results	February 14, 2020
Audited Annual Results for the year	May 30, 2020

* As approved by the Board. However these dates are subject to change.

(c) Book Closure & Dividend Payment Dates

Book Closure date and Dividend recommended for the financial year ended March 31, 2019 as per Notice of 45th Annual General Meeting.

(d) Listing

The name of the Stock Exchange at which the securities of the Company are listed and the respective scrip code are as under:

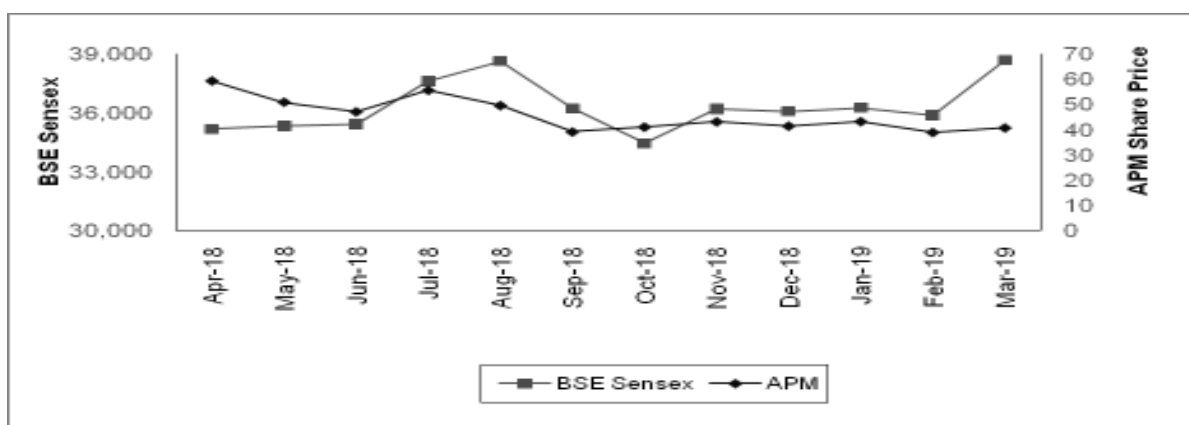
Name of the Stock Exchange	Security Listed	Scrip Code
BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	Equity Shares	523537

(e) Market Price Data

Monthly high/low of market price of the Company's equity shares (of Rs. 2 each) traded on the Stock Exchange (BSE) during 2018-19 is given hereinafter:

(Amount in Rs.)

Month	High Price	Low Price
April, 18	60.90	53.00
May, 18	60.00	49.00
June, 18	55.95	43.00
July, 18	56.50	42.80
August, 18	59.90	45.90
September, 18	50.95	37.00
October, 18	42.40	33.00
November, 18	46.95	39.00
December, 18	46.00	39.80
January, 19	47.90	40.10
February, 19	45.00	36.25
March, 19	46.75	39.05

(f) Performance of the Company's equity shares in comparison to BSE Sensex

The above chart is based on the monthly closing price of the equity shares of the Company and monthly closing BSE Sensex.

(g) Compliance Officer

Ms. Neha Jain, Company Secretary, is the Compliance Officer appointed by the Board. She can be contacted for any investor related matter relating to the Company. The contact no. is 011-26441022 and e-mail id is "csapmindustriestd@gmail.com".

(h) Registrar and Share Transfer Agent

For share related matters, members are requested to correspond with the Company's Registrar and Share Transfer Agent – Skyline Financial Services Private Limited quoting their Folio No. / DP ID & Client ID at the following address:

Skyline Financial Services Private Limited,
D-153A , 1st Floor, Okhla Industrial Area, Phase -I, New Delhi - 110 020
Tel: +011-40450193-97, E-mail: admin@skylinerta.com, info@skylinerta.com

(i) Share Transfer System

Stakeholders Relationship Committee is authorised to approve transfer of shares. In order to expedite the process of share transfers, the Board has delegated the power to the Company Secretary of the Company. Share transfers which are received in physical form, are processed and the share certificates are returned within a period of 15 days from the date of receipt subject to the documents being valid and complete in all respects. The dematerialised shares are transferred directly to the beneficiaries by the depositories.

The Company has complied with the requirements of Regulation 40 read with Schedule VII of the SEBI Listing Regulations, 2015 with respect to all formalities of transfers or transmissions of share.

The Company obtains a half- yearly compliance certificate from a Company Secretary in Practice as required under Regulation 40(9) of the SEBI Listing Regulations, 2015 and file a copy of the said Certificate with the Stock Exchange.

Pursuant to Regulation 7(3) of the SEBI Listing Regulations, 2015, Compliance Certificate duly signed by the Compliance Officer and the authorized representative of the Company's RTA viz. Skyline Financial Services Private Limited confirming that all activities in relation to both physical and electronic share transfer facility are being maintained by the RTA for the half year ended September 30, 2018 and March 31, 2019 have been duly submitted to the Stock Exchange.

(j) Credit Ratings

The Company has obtained rating from CARE during the financial year 2018-19. The Credit Rating is BBB+.

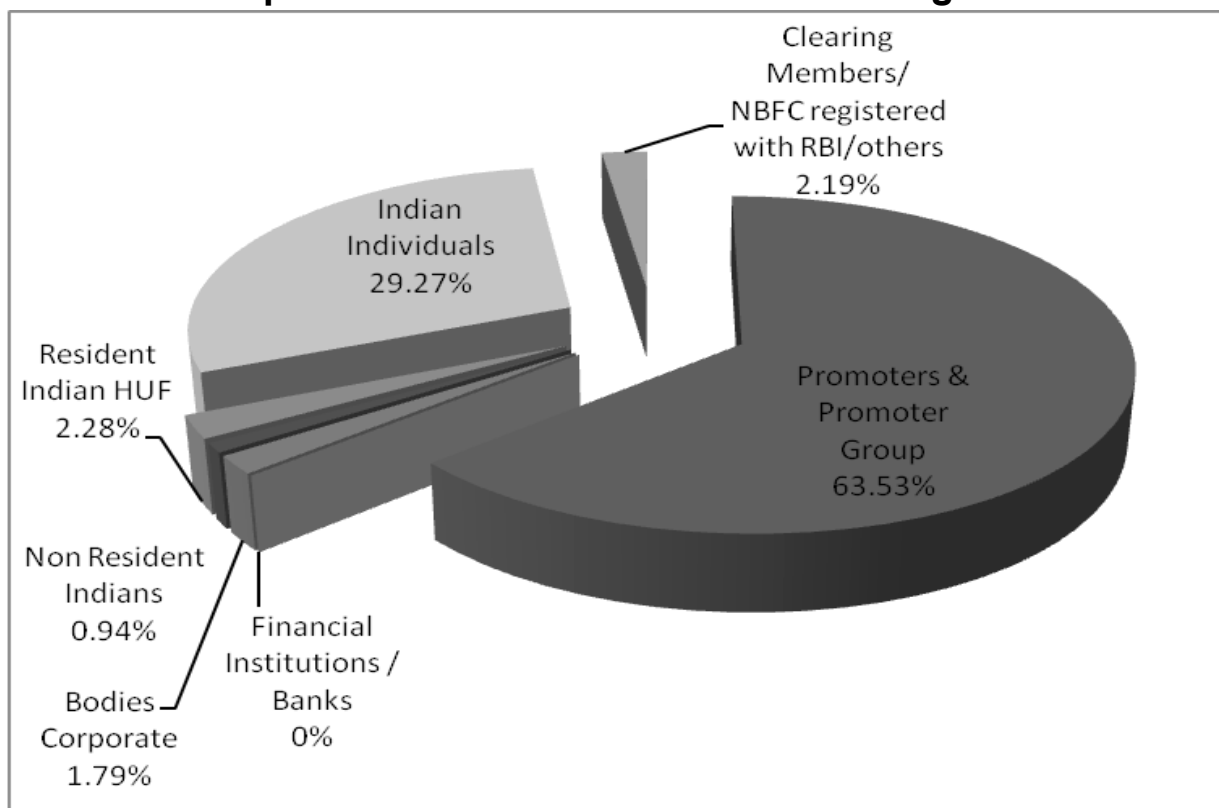
(k) Distribution of shareholding as on March 31, 2019**(i) Value wise**

Shareholding of Nominal Value	Shareholders		Shareholding	
	Number	Percentage	Amount (Rs.)	Percentage
Upto 5000	8852	95.94	6157412	14.25
5001 to 10000	207	2.24	1537510	3.56
10001 to 20000	80	0.87	1134910	2.63
20001 to 30000	27	0.29	658038	1.52
30001 to 40000	6	0.07	207944	0.48
40001 to 50000	11	0.12	482850	1.12
50001 to 100000	14	0.15	1000620	2.32
Above 100000	30	0.33	32043436	74.14
Total	9227	100	43222720	100

(ii) Category wise

S. No.	Category	No. of Shares	Shareholding as a % of total number of shares
A	Promoter & Promoter Group	13730620	63.53
B	Public Shareholding		
1	Financial Institutions/ Banks	250	0
2	Bodies Corporate	386514	1.79
3	Non-Resident Indians	202474	0.94
4	Resident Indian HUF	492414	2.28
5	Indian Individuals	6326688	29.27
6	Clearing Members/ NBFC registered with RBI/others	472400	2.19
	Total	21611360	100

Graphical Presentation of Shareholding



Unclaimed Dividends

In respect of unpaid/unclaimed dividends for the year 2011-12, the shareholders are requested to write to the Company/ RTA. Dividends remaining unclaimed for seven years from the date of transfer of unpaid dividend account will be transferred to the Investor Education and Protection Fund.

Shareholders who have not encashed their dividend warrants relating to the dividends specified in the table given below are requested to immediately approach the Registrar and Transfer Agent for issue of duplicate warrants to avoid transfer to IEPF:

Financial Year	Particulars	Date of Declaration	Due date to transfer to IEPF
2011-12	Final Dividend	September 15, 2012	October 21, 2019
2012-13	Interim Dividend	November 12, 2012	December 13, 2019

(m) Information pursuant to Regulation 36(3) of the SEBI Listing Regulations, 2015

Information pertaining to particulars of Director to be appointed / re-appointed at the forthcoming Annual General Meeting has been included in the Notice convening the Annual General Meeting.

(n) Certification of Non Disqualification of Directors from Company Secretary in Practice

Mr. Ravi Sharma, Partner of RSM & Co., Company Secretary in Practice, has issued a certificate as required under the Listing regulations, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as director of the Companies by the SEBI/ Ministry of Corporate Affairs or any such statutory authority. The certificate is enclosed as **Annexure-B**

(o) Compliance Certificate from the Practicing Company Secretary

The Company has obtained a Certificate from Mr. Ravi Sharma, Partner of M/s RSM & Co., Company Secretary in Practice confirming compliance of conditions of Corporate Governance as stipulated in Schedule V(E) of the SEBI Listing Regulations, 2015. The Certificate is attached as **Annexure-C**.

(p) (i) Dematerialization of Shares

The Company has signed agreements with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 20406647 equity shares of the Company were in dematerialized form as on March 31, 2019. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE170D01025.

(ii) Liquidity

The Equity Shares of the Company are frequently traded on the BSE Limited.

(q) Registered Office and Location of Plant

SP-147, RIICO Industrial Area, Bhiwadi, Dist. Alwar, Rajasthan-301019

(r) Address for Correspondence

APM Industries Limited
910, Chiranjiv Tower, 43, Nehru Place
New Delhi-110019
Tel: 011-26441015-17
Email:- csapmindustriestd@gmail.com
Website:- www.apmindustries.co.in

(s) Corporate Identification Number (CIN)

L21015RJ1973PLC015819

11. COMPLIANCE WITH THE REGULATIONS RELATED TO CORPORATE GOVERNANCE IN THE SEBI LISTING REGULATIONS, 2015**(a) Mandatory Requirements**

The Company has complied with mandatory requirements relating to corporate governance as prescribed in SEBI Listing Regulations, 2015.

(b) Extent to which Discretionary Requirements have been adopted:

The status of adoption of non-mandatory requirements as specified in Regulation 27(1) read with Part E of Schedule II of the SEBI Listing Regulations, 2015 is given below:

(i) The Board

The Company has appointed an Executive Chairman, being promoter of the Company.

(ii) Shareholders' Rights

As the quarterly and half-yearly performance are published in the newspapers and are posted on the Company's website, the same are not being sent separately to each household of the shareholders.

(iii) Modified Opinion(s) in Audit Report

The Company's financial statement for the financial year ended March 2019 does not contain any modified opinion.

(iv) Reporting of Internal Auditor

Internal Auditor reports to the Audit Committee.

CEO/CFO Certification

In compliance with Regulation 17(8) read with Schedule II(B) of the SEBI Listing Regulations 2015, a declaration by Managing Director and CFO is enclosed as **Annexure-D** which, inter-alia, certifies to the Board the accuracy of financial statements and the adequacy of internal controls for the financial reporting purpose.

Investor Services

In an endeavour to give best possible service to investors, the Company has taken the following initiatives:

- Emailing Annual Report and Notice of Annual General Meeting to shareholders, whose e-mail IDs are available.
- User friendly Investor Section on the website of the Company www.apmindustries.co.in.
- A dedicated e-mail ID viz. csapmindustriestd@gmail.com for sending communications to the Company Secretary & Compliance Officer. Members may lodge their complaints or suggestions on this e-mail ID as well.
- Further, quarterly and annual financial results of the Company are also uploaded on the website of the Company for the benefit of the shareholders and public at large.

For and on behalf of the Board

Place : New Delhi
Dated : August 01, 2019

Rajendra Kumar Rajgarhia
Chairman
DIN: 00141766