



SHALIMAR
PAINTS



ANNUAL REPORT 2014-15

*Khwaab Apke
Rang Hamare*





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CHAIRMAN'S MESSAGE



Girish Jhunjnuwala

Chairman

Dear Shareholder,

Analysis of the key drivers and challenges of paint industry indicate that the growth in real-estate construction & automotive-industry coupled with growth in disposable income & increased government expenditure on infrastructure had a positive impact on the paint industry. Low per capita consumption of paints in India also provides avenue for further growth in this sector. However, the industry is also facing a few challenges like rise in input prices in the first half of the year and stringent environmental regulations.

Shalimar's century old foundation and expertise in making high quality paints and coatings makes it withstand the tests of time. With all the change initiatives that we have been taking in the last year, today your company is structurally stronger than ever before to become a leading player in the Indian paint industry.

In order to expand the company's current product portfolio, five new products were successfully launched in the decorative segment namely No.1 Silk, Master acrylic emulsion, No. 1 Primer, Super Shaktiman and Shakti Primer.

In the industrial segment also, a few new product categories were added during the year namely Single coat primer-cum-finish, Epoxy based DTM coating, Solvent Free Epoxy Coating, Bitumen coating for potable water application, Surface tolerant (self-priming) anti-corrosive coating, Zinc Silicate fast drying primer and Coating system for LPG cylinders.

With a clear vision for the future substantiated with elaborate planning, the company is now poised to traverse the growth trajectory in the near future.

We continue to stay committed to our rich legacy of making paints that add value to our customer's lives.

I thank you all for your unwavering support in our journey.

Best regards

Girish Jhunjnuwala

Chairman



Whole-time DIRECTOR'S MESSAGE



Surender Kumar

*Whole-time Director
and COO & CFO*

Dear Shareholder,

We continue to take significant steps in our transformation journey this year. Working through the challenges and opportunities that the year presented us with, we continued to improve upon our key focus areas.

In our Decorative segment, we made several improvements in Product, Distribution, Dealer Network and Marketing. In Product section, we ramped up our portfolio, launched many new products, improved quality and introduced new packaging. Today, we have a robust portfolio of products and are well placed to meet the varied requirements of our customers. To make our distribution model more effective and service our customers better, we set up Regional Distribution Centers around the country. We consolidated our dealer network to focus on our loyal and the profitable partners. Through our marketing efforts, we rolled out our new identity among our trade partners and introduced many customer-centric forums for communication with your company.

In the Industrial segment, we focussed on growing the business through key account management and providing customised solutions and technical guidance to our customers.

With these interventions, we are ready to embark on profitable growth and expansion.

I am grateful for your trust in the management of this company.
Best regards

Surender Kumar
Whole-time Director, COO & CFO

DECORATIVE PAINTS

NEW LAUNCHES

Interior Emulsions



» NO. 1 SILK (INTERIOR ACRYLIC EMULSION)

A water-based acrylic emulsion offering smooth matt finish with higher opacity and excellent coverage. Designed for fast drying and quick recoatability, makes it a quality emulsion paint. It also has long lasting durability.

MASTER (INTERIOR ACRYLIC EMULSION) «

The science of high volume solid matt emulsion in this paint delivers higher coverage and uniform finish.



» NO. 1 PRIMER (ACRYLIC CEMENT PRIMER)

A water-based interior acrylic primer offering excellent sealing, priming and adhesion. Its excellent binding and priming features ensure smooth and uniform finish to top coats. It also reduces patchiness and gives good coverage.

Exterior Emulsions

SUPER SHAKTIMAN (DURABLE EXTERIOR EMULSION) «

A water-based exterior acrylic emulsion with silicon additives that offer excellent durability and protection against any climatic conditions. Its algae resistance property along with anti-fading and anti-flaking benefit offers beautiful walls for years. It also provides protection against dirt and dust. In a nutshell, it can be easily coined as super tough and durable exterior emulsion.



» SHAKTI PRIMER (EXTERIOR ACRYLIC WALL PRIMER)

A water-based exterior acrylic primer offering superior priming, sealing and adhesion; ensuring better coverage and long-life to top coats.



INDUSTRIAL PAINTS



» PROTECTIVE COATING

Designed to Protect

Designed for application on steel & concrete structures, the unique chemical formulation of our coating is carefully engineered for optimum protection in harsh environments, ensuring maximum corrosion protection.

» PRODUCT FINISH «

Designed to Protect & Decorate

From enhancing the appearance of products to providing corrosion protection, abrasion and mechanical resistance, our high quality & durable coatings offer solutions to diverse surfaces like cycles, valves, bus body, gas, cylinder, light fixtures, ceiling fans etc.



» PACKAGING COATING

Designed to Preserve

With cutting-edge technology, we provide the internal and external lining lacquer required for the ever-evolving packaging industry.

Our internal coating protect food contents ensuring hygiene and nutritional value and external coating ensure protection from atmospheric corrosion.

» MARINE COATING «

Designed to Last

Our Marine Coating Provides high-performance and reliable protection with well proven technology and innovative solutions to merchandise ship, defence vessels, offshore rigs etc. at both the new building stage and in-service.



BOARD OF DIRECTORS

- Girish Jhunjhnuwala
Chairman
- Ratan Jindal
- Aditya Vikram Lodha
- Rajiv Rajvanshi
- Pushpa Chowdhary
- Surender Kumar
Whole-time Director and COO & CFO



CORPORATE INFORMATION

» Registered Office

Goaberia, P.O. Danesh Shaikh Lane Howrah, West Bengal -711 109
Tel.: (033) 2644 3201

» Corporate Office

4th Floor, Plot No. 64, Sector-44
Gurgaon-122001, Haryana
Tel.:(124) 461 6600, Fax.: (124) 461 6659

» Registrars & Share Transfer Agents

MCS Share Transfer Agent Ltd.
12/1/5, Manoharpukur Road, Kolkata, West Bengal -700 026
Tel.: (033) 4072 4051/52 Fax: (033) 4072 4050
E-mail: mcssta@rediffmail.com

» Bankers

- State Bank of India
 - Punjab National Bank
 - Corporation Bank
 - HDFC Bank Ltd.
 - IndusInd Bank
-

» Statutory Auditors

Chaturvedi & Partners

» Company Secretary & Compliance Officer

Bernadette Dominic

» Website

www.shalimarpaints.com

» Corporate Identification Number

L24222WB1902PLC001540

SHALIMAR PAINTS LIMITED

CIN:L24222WB1902PLC001540

Registered Office: Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109
Phone: 033-2644-3201; Fax: 033-2644-3540; E-mail Id : hwhsec@shalimarpaints.com
Website: www.shalimarpaints.com

Notice of the Annual General Meeting

NOTICE is hereby given that the 113th Annual General Meeting of the Company will be held on Monday, 28th day of September, 2015 at 12.00 Noon, at The Lake Land Country Club, Kona Expressway, P.O.: Munshidanga, P.S.: Domjur, Howrah - 711403, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2015 and the Reports of the Board and Auditors thereon.
2. To appoint a Director in place of Mr. Girish Jhunjhuwala (DIN 01093551), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration and to pass with or without modification the following resolution, as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 139(2) of the Companies Act, 2013, Messrs Chaturvedi & Partners, Chartered Accountants (Firm Registration No. 307068E), be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to the Auditors."

SPECIAL BUSINESS:

To consider and if thought fit, to pass with or without modification(s), the following Resolutions:

4. **As an Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 149, 152, 160 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force and as amended from time to time), Mr. Surender Kumar (DIN: 00510137) who was appointed as an Additional Director on the Board of Directors of the Company on 30th May, 2015 to hold office up to the date of the 113th Annual General Meeting of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and Rules framed thereunder, be and is hereby appointed as a Director of the Company, whose period of office would be liable to be determined by retirement of Directors by rotation.

5. **As a Special Resolution:**

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013, (hereinafter referred to as "the Act") and subject to the approval of the Central Government, consent of the members of the Company be and is hereby accorded to the appointment of Mr. Surender Kumar, as Whole-time Director of the Company designated as "Whole-time Director and Chief Operating Officer (COO) & Chief Financial Officer (CFO)" for a period of three years effective from 30th May 2015, upon the following terms and conditions including the remuneration:

- (i) Salary & Allowances:
 - (a) Basic Salary: ₹ 2,25,000/- per month.
 - (b) House Rent Allowance: ₹ 1,12,500/- per month.
 - (c) Special / Flexible Allowances: ₹ 2,49,677/- per month.

Notice (Contd.)

- (II) Performance Linked Variable Pay: ₹ 15,00,000/- per annum.
- (III) Superannuation Benefits :
 - (a) Contribution to Provident Fund as per the rules of the Company.
 - (b) Gratuity as per the rules of the Company.
- (IV) Employees Stock Options as per the policy and ESOP scheme of the Company.
- (V) Mr. Surender Kumar shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.
- (VI) In the event of loss or inadequacy of profits in any financial year during the period of his appointment, Mr. Surender Kumar shall be paid the above mentioned remuneration by way of salary, allowances and performance linked variable pay, subject to the provisions of Schedule V to the Companies Act, 2013 and subject to requisite approval of the Central Government.

RESOLVED FURTHER THAT subject to the approval of Central Government, the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorised to alter, vary, increase or decrease the remuneration of Mr. Surender Kumar, from time to time, within the overall limits, as may be approved by the Central Government, during the tenure of Mr. Kumar as a Whole-time Director of the Company.”

By order of the Board
For **SHALIMAR PAINTS LIMITED**

Bernadette Dominic
Company Secretary
Membership No.A31629

Place: New Delhi
Dated: 20th July, 2015

Notes:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
2. The instrument of proxy/proxies in order to be effective must be deposited at the Registered Office of the Company at Goabaria, P.O.: Danesh Shaikh Lane, Howrah - 711 109, duly completed and signed, not less than 48 hours before the time fixed for the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority as applicable.
3. Information regarding particulars of the Director to be appointed and the Director seeking re-appointment requiring disclosure in terms of the Secretarial Standard 2, Listing Agreement and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto.
4. Members having any question on financial statements or on any agenda item proposed in the Notice of AGM are requested to send their queries at least 10 days prior to the date of AGM of the Company at its registered office address, so that the information can be made available at the meeting.
5. Members / Proxy holders are requested to produce their admission slips at the entrance of the meeting hall.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy verification of attendance at the Meeting.
7. The register of members and share transfer books of the Company will remain closed from Wednesday, 23rd September, 2015 to Monday, 28th September, 2015 (both days inclusive), in accordance with the provisions of the Companies Act, 2013 and the Listing Agreement with the Stock Exchanges, where the equity shares of the Company are listed, for the purpose of AGM.
8. The Company has changed its Registrar and Share Transfer Agent from MCS Limited to MCS Share Transfer Agent Ltd. having its office at 12/1/5, Manoharpukur Road, Kolkata -700026, West Bengal.
9. In accordance with the provisions of Section 205A of the Companies Act, 1956, the amount of unclaimed dividend upto the financial year ended 30th June, 1994, have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for those years, are advised to claim the same from the Registrar of Companies, West Bengal, 234/4 Acharya Jagdish Chandra Bose Road, Kolkata 700 020.

Dividend for the financial years ended 30th June, 1995 to 31st March, 2007 which remained unpaid or unclaimed for seven years, have been transferred to the Investors Education and Protection Fund of the Central Government pursuant to the amended provisions of Section 205A of the Companies Act, 1956.

Dividend for the financial year ended 31st March, 2008, which remains unpaid or unclaimed, will be due for transfer to the Investors Education and Protection Fund of the Central Government on 1st September, 2015 pursuant to the amended provisions of Section 205A of the Companies Act, 1956. It may be noted that once the unclaimed dividend amount is transferred to the Fund, the same cannot be claimed by the Members there from. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2008 onwards are requested to claim the same from the Company's Registrar and Share Transfer Agents, Messrs. MCS Share Transfer Agent Ltd. The folio-wise details of amount of unpaid dividend for the financial year ended 31st March, 2008 onwards are available on the Company's website www.shalimarpaints.com as well as on the website of Ministry of Corporate of Affairs www.iepf.gov.in.

During the year ended 31st March, 2015, the Company has deposited a sum of Rs.2,87,310 (Rupees two lakh eighty-seven thousand three hundred ten only) to the Investor Education and Protection Fund of the Central Government, on account of unclaimed/unpaid dividend for the financial year 2006-07.

10. As a measure towards Green Initiative, it is proposed that documents like Notices of Meetings, Annual Reports, Board Report and Auditors' Report and other shareholder communications will be sent electronically to the email address provided by the shareholders and / or made available to the Company by the Depositories viz., NSDL / CDSL. Shareholders holding the shares in dematerialized form are requested to keep their Depository Participant (DP) informed and updated of any change in their email address. For shares held in physical form, shareholders can register their email address by sending a duly signed letter mentioning their name(s), folio no(s). and email address to the Company's Registrar & Transfer Agent, Messrs MCS Share Transfer Agent Ltd.
11. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof to MCS Share Transfer Agent Ltd. (Company's RTA). Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.
12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Company's RTA.
13. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company or to the Company's Registrar and Share Transfer Agent.

Notice (Contd.)

14. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.
15. The copy of Annual Report along with the notice of 113th Annual General Meeting inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form etc. are being sent to the members through e-mail who have registered their email ids with the Company / depository participant (DPs)/Company's Registrar and Transfer Agent (RTA).

Members are requested to update their preferred e-mail ids with the Company / DPs/RTA which will be used for the purpose of future communications.

Members whose e-mail id is not registered with the Company are being sent physical copies of the Annual Report along with the Notice of 113th Annual General Meeting inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form etc. at their registered address through permitted mode.

Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company/ Company's RTA.

Copy of annual report along with the notice of 113th Annual General Meeting inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form etc. will also be available on the Company's website www.shalimarpaints.com. Members may write to us at hwhsec@shalimarpaints.com, if they have any queries or require communication in physical form in addition to electronic communication.

16. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested will be available for inspection at the venue of the meeting.
17. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members/ list of beneficiaries received from the depositories as on Friday, 21st August, 2015.
18. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Clause 35B of the Listing Agreement, the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means and the business may be transacted through remote e-voting services. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e-voting").
19. Since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper shall be made available at the Meeting and the members attending the Meeting who have not casted their vote by remote e-voting shall be able to vote at the Meeting through ballot/ polling paper.
20. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.
21. The Company has engaged the services of Central Depositories Services India Limited (CDSL) as the Agency to provide e-voting facility.
22. Mr. Pawan Kumar Sarawagi of Messrs. P. Sarawagi & Associates, Company Secretaries, Kolkata (Membership No: 3381, C.P. No. 4882), as Scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
23. The Voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on the cut-off date i.e. Tuesday, 22nd September, 2015.
24. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Tuesday, 22nd September, 2015 shall only be entitled to avail the facility of remote e-voting / physical voting.

25. Voting through Electronic means:

The instructions for shareholders voting electronically are as under:

- (i) The e-voting period commences on Friday, 25th September, 2015 (9:00 A.M. (IST)) and ends on Sunday, 27th September, 2015 (05:00 P.M.(IST)). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Tuesday, 22nd September, 2015, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for 'Shalimar Paints Limited' on which you choose to vote.

Notice (Contd.)

- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non Individual Shareholders and Custodians
- Non-Individual shareholders [i.e. other than Individuals, HUF, NRI etc.] and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same..
- (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Tuesday, 22nd September, 2015, may follow the same instructions as mentioned above for e-Voting.
- (xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com
26. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and within a period not exceeding three (3) days of the conclusion of the meeting, make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company.
27. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.shalimarpaints.com and on the website of CDSL. The results shall simultaneously be communicated to the National Stock Exchange of India Ltd and BSE Limited. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.
28. All documents referred to in the Notice and the Explanatory Statement are available for inspection at the Registered Office of the Company during normal business hours on all working days till the date of the Annual General Meeting.

EXPLANATORY STATEMENT
(Pursuant to Section 102 of the Companies Act, 2013)

Item Nos. 4 & 5

Mr. Surender Kumar, aged about 50 years and a Chartered Accountant, was appointed as an Additional Director on the Board at its meeting held on 30th May, 2015 and holds office upto the date of this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013. At the said Board Meeting, Mr. Surender Kumar was also appointed as a Whole-time Director and designated as 'Whole-time Director and Chief Operating Officer (COO) & Chief Financial Officer (CFO)' of the Company for a period of three years with effect from 30th May, 2015, subject to approval of the Shareholders at a General Meeting and subject to approval of the Central Government.

A notice in writing has been received from a Member of the Company in terms of Section 160 of the Companies Act, 2013, along with a deposit of ₹ 1,00,000/-, signifying the intention to propose the appointment of Mr. Surender Kumar as a Director of the Company.

Mr. Kumar is willing to act as a Director of the Company, if appointed, and has filed with the Company his consent in writing.

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee of the Board, the terms of appointment and payment of remuneration, as detailed in the Resolution, to Mr. Surender Kumar were approved by the Board, subject to approval of the shareholders and the Central Government.

The information required to be given pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013, are given hereunder:

I. General Information:

Shalimar Paints incorporated in the year 1902, is the first paint manufacturing company in India and thereafter it started its commercial production. It has a network of 57 branches and depots spread across the country. It has a strong and robust network of more than 8000 dealers. The Company has manufacturing facilities at multiple locations. The revenue from operations & other income of the company for the FY 2014-15 stood at ₹ 48564.47 lacs as against ₹ 54607.17 lacs in the previous year 2013-14. The Company does not have any foreign collaboration.

II. Information about the appointee:

Mr. Surender Kumar, aged about 50 years, is a Chartered Accountant. He is having a rich experience of more than 23 years primarily in paint industry with core expertise in Operational and Financial Management.

Out of 23 years of rich experience, he was with Akzo Nobel India & Asia Pacific, for about 15 years, a fortune 500 European MNC. Akzo Nobel manufactures and market a wide range of decorative (Dulux) paints, performance coatings and specialty chemicals and is a significant player in the paint and chemical industry.

Before joining the Company, Mr. Kumar was withdrawing approximately ₹ 70,00,000/- per annum towards his remuneration from Tega Industries Limited as Group President.

Mr. Kumar shall have, subject to the overall control and direction of the Board of Directors of the Company, general control, management and superintendence of the business of the Company in the ordinary course of business and shall be responsible for the working and performance of the Company. He shall report to the Board of Directors of the Company. His responsibilities would include formulating and executing long term vision of the organization, developing a scalable business model by building capability, setting up processes and systems within the organization and would also be responsible for strategic transformation and revival of the organization.

The details of remuneration proposed to be payable to Mr. Kumar is given in the item No. 5 of the Notice. Considering the nature of the industry, size of the Company and profile of the position vis-à-vis his qualifications and experience, the Board is of the view that proposed remuneration is reasonable.

Except as mentioned above, Mr. Kumar does not have any pecuniary relationship directly or indirectly with the Company or with any managerial personnel.

Notice (Contd.)

III. Other information:

Reasons of loss or inadequate profits:

The year passed was a year of transition. Various initiatives have been taken during the year under review to prepare your Company for an accelerated profitable growth in the coming years. However, due to the unfortunate fire accident at Howrah plant in March, 2014, production at Howrah plant was compromised which adversely affected the financial performance of the Company. During the Financial Year 2014-15, the Company suffered a net loss (after tax) of ₹ 1058.40 lacs as against loss (after tax) of ₹ 279.51 lacs in the preceding Financial Year. The total revenue from operations & other income of the Company for the Financial Year 2014-15 stood at ₹ 48564 lacs as against ₹ 54607 lacs in the previous Financial Year 2013-14.

Steps taken or proposed to be taken for improvement:

In the current year, the Company has started strengthening its presence in the consumer business to emerge as a strong contender in the Indian Paint Industry, the Company is also consolidating its position that will lead to improvement in overall financial position of your Company. New products have been launched in the decorative paint segment in the interior as well as exterior paint category. The industrial paint segment have also seen the addition of new product categories.

Expected increase in productivity and profits in measurable terms:

With the new corrective actions, initiatives, new product launch etc., the Company is expecting increase of atleast 10% over turnover & accordingly improvement in PBT level also..

IV. Disclosures:

The requisite disclosures, as required to be given pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013, are given in the Item No.5 of this Notice read with intimation given pursuant to Clause 49 of the Listing Agreement and Secretarial Standard 2 forming part of this Notice.

The Board considered the knowledge, experience and expertise of Mr. Surender Kumar in the field of Paints and Varnishes business and is of the opinion that appointment of Mr. Surender Kumar shall be of immense benefit to the Company. The Board recommends Resolution Nos. 4 & 5 for approval by the Members.

Mr. Surender Kumar does not hold Directorship or Membership of Committees of the Board in any Company other than Shalimar Paints Limited and its subsidiaries namely Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited.

Mr. Surender Kumar is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013 and to the promoter group of the Company.

Mr. Surender Kumar does not hold any share in the Company. Mr. Kumar has attended both the Board Meetings held after his appointment, i.e., on 30th May, 2015 and 20th July, 2015.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company other than Mr. Surender Kumar, is concerned or interested, financially or otherwise, in this resolution.

By order of the Board

For **SHALIMAR PAINTS LIMITED**

Bernadette Dominic

Company Secretary
Membership No.A31629

Place: New Delhi
Dated: 20th July, 2015

Notice (Contd.)

Information of Directors to be appointed and the Directors seeking re-appointment at the forthcoming Annual General Meeting (pursuant to Secretarial Standard 2 issued by ICSI and Clause 49 of the Listing Agreement) as on the date of Notice.

Name of the Director	Mr. Girish Jhunjhnuwala	Mr. Surender Kumar
Director Identification Number (DIN)	01093551	00510137
Date of Birth (Age in years)	2nd September, 1963 (52 years)	14th April, 1965 (50 years)
Original date of Appointment	8th September, 1989	30th May, 2015
Qualification	Bachelor of Science in Business Administration from University of Southern California. Honored with an Outstanding Alumni of the Year award from USC in 1992.	Chartered Accountant from the Institute of Chartered Accountants of India
Experience and expertise in specific functional area	Lifelong entrepreneur, founder and visionary behind Ovolo Hotels in Hong Kong and Australia. The Ovolo Hotels experience is driven by his detail-driven management approach & experience in investments.	Has a rich experience of more than 23 years, primarily in paint industry, with core expertise in Operational and Financial Management.
Shareholding in Shalimar Paints Limited	Nil	Nil
Remuneration last drawn	—	Approximately ₹ 70,00,000 per annum as the Group President of Tega Industries Ltd.
No. of Board Meeting Attended during the financial year 2014-15	Two meeting attended out of Four held during the period	—
Terms and conditions of re-appointment and remuneration	Being re-appointed as Director liable to retire by rotation and shall continue to be entitled for sitting fee for attending the meetings of the Board and committees thereof.	As detailed in the item nos. 4 & 5 of the Notice read with explanatory statement thereto
Relationship with other Directors or KMPs	Not a relative of any of the Directors of the Company as defined under Section 2 (77) of the Companies Act, 2013 read with rule 4 of Companies (Specification of definitions details) Rules, 2014	
Directorship held in other companies in India	Nil	Shalimar Adhunik Nirman Limited Eastern Speciality Paints & Coatings Private Limited
Membership/ Chairmanship of Committees, held during the financial year 2014-15 in the public limited companies in India	Shalimar Paints Limited-Stakeholders Relationship Committee (Member)	Nil

By order of the Board
For **SHALIMAR PAINTS LIMITED**

Bernadette Dominic
Company Secretary
Membership No.A31629

Place: New Delhi
Dated: 20th July, 2015

Board's Report

Dear Shareholders,

Your Directors are pleased to present the 113th Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended 31st March, 2015.

Company Overview

Shalimar Paints incorporated in the year 1902, is the first paint company in India. The name Shalimar symbolises more than a century of experience in providing paint solutions for decorative as well as industrial. It has a network of 57 branches and depots spread across the country. It has a strong and robust network of more than 8000 dealers. The Company has manufacturing facilities at multiple locations. These units have ISO 9000 accreditation for its quality management. The Company has a wide product range in both Decorative as well as Industrial paint segments. The decorative segment offers an extensive product range for the interior and exterior category. The Company has been a pioneer in the industrial paint segment by virtue of its R&D strength. Our industrial paints enhance the life of assets like Plant & Machinery, National Infrastructure appliances, Pipelines, Construction machinery, Ships, Buildings. Shalimar Paints is conscious for health, safety and the environment. Our endeavour is to operate all the plants and facilities in a manner to ensure a clean and healthy environment and also to strive to achieve reduction of wastage and ensure optimize resource utilization through source reduction, recycle or reuse of waste by imparting training and education to all employees and customers to work in a manner which maximizes protection of the environment.

Financial results

	(₹ in lacs)	
Description	2014-15	2013-14
Revenue from Operations & Other Income	48564.47	54607.17
Expenses	47508.29	52502.00
PBIDT	1056.18	2105.17
Exceptional Items	—	—
Profit before tax	(1484.76)	(360.02)
Provision for taxation		
Current Tax	—	—
Deferred Tax	(426.36)	(80.51)
Profit after tax	(1058.40)	(279.51)
Add: Amount brought forward from last year's account	1820.77	2100.28
Less: Prior period adjustment - Depreciation	(111.61)	(0.00)
Profit available for appropriation	650.76	1820.77
Balance carried to Balance Sheet	650.76	1820.77

Review of Operations & State of Company's Affairs

A lot of initiatives were taken during the year to prepare the company for an accelerated growth. However, due to the unfortunate fire accident at Howrah plant, production at Howrah plant was compromised which adversely affected the financial performance of the Company for the year 2014-15. During the FY 2014-15, the Company suffered a loss (after tax) of ₹ 1058.40 lacs as against loss (after tax) of ₹ 279.51 lacs in the previous year. The total revenue from operations & other income of the Company for the FY 2014-15 stood at 48564.47 lacs as against ₹ 54607.17 lacs in the previous year. However, in the current year, the Company is consolidating its position and it will lead to improvement in its bottom-line. New products were launched in the decorative paint segment in the interior as well as exterior paint category. The industrial paint segment also saw the addition of new product categories.

Consolidated Financial Statement

The consolidated financial statements of the Company for the financial year 2014-15, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and Listing Agreement as entered into with Stock Exchanges. The consolidated financial statements have been prepared on the basis of audited financial statements of the Company and its subsidiary companies.

Share Capital

During the year under review, there was no change in the Company's paid-up equity share capital.

During the current financial year up to the date of this report, the Company has issued 14,750 equity shares of ₹ 2/- each upon exercise of stock options under the Company's ESOP Scheme i.e. 'ESOP 2013'. Consequently, the paid-up equity share capital of the Company as on the date of this report stood at ₹ 3,78,85,700 divided into 1,89,42,850 equity shares of ₹ 2/- each.

General Reserve

The Company has not transferred any amount to the General Reserve during the financial year ended 31st March, 2015.

Dividend

In view of the loss during the year under review, the Directors did not recommend any dividend.

Transfer of amount to Investor Education and Protection Fund

In terms of Sections 205C of the Companies Act, 1956, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF). The dividend for the financial year 2006-07, which remained unpaid/unclaimed, aggregating to ₹ ₹2,87,310 (Rupees two lakh eighty-seven thousand three hundred ten only) was transferred to IEPF during the year under review.

Deposits

The Company has neither accepted nor renewed any deposit during the year. There was no unpaid/unclaimed deposit as at 31st March, 2015.

Tinting Systems

The Company continued with its policy of installation of tinting systems in various retail outlets across the country with a view to increase the demand for its high value products, especially water based products.

ISO Certifications

Nashik and Sikandrabad Plants of the Company are ISO 9001:2008 accredited.

Credit Ratings

The Company has been accorded credit rating of CARE BBB+ for long term bank facilities, CARE BBB+/CARE A3+ for long/short term bank facilities and CARE A3+ for short term bank facilities by Credit Analysis and Research Limited on 13th October, 2014.

Employee Stock Option Plan (ESOP)

Pursuant to Employee Stock Option Scheme, 2013 i.e. 'ESOP 2013' of the Company, the details of ESOPs granted, vested and exercised by permanent employees of the Company during the financial year under review, as required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and as per the provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and other applicable Regulations, is annexed as '**Annexure - A**' to this report.

Directors and Key Managerial Personnel

Appointments, Re-appointments, Retirements & Resignations

During the financial year 2014-15, in compliance with the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force Mr. Aditya Vikram Lodha, Mr. Pujit Ravikiran Aggarwal, Mr. Rajiv Rajvanshi and Ms. Pushpa Chowdhary were appointed as Independent Directors on the Board of Directors of the Company at the 112th Annual General Meeting of the Company held on 26th September, 2014 to hold office for a term of 5 (five) consecutive years with effect from the date of the said Annual General Meeting.

Dr. R. Srinivasan, Non-Executive, Independent Director had expressed his unwillingness to be re-appointed at the 112th AGM of the Company held on 26th September, 2014 and accordingly ceased to be a Director with effect from 26th September, 2014. Mr. Sameer Nagpal, Managing Director and CEO and Mr. Pujit Aggarwal, Non-Executive, Independent Director, had resigned from the Board of the Company with effect from 30th May, 2015 and 16th June, 2015, respectively. The Board placed on record their sincere appreciation for the guidance and contribution made by them during their tenure on the Board.

Mr. Chandan Arora, who was appointed as the Chief Financial Officer with effect from 1st September, 2014, had resigned from the Company with effect from 30th April, 2015. Mr. Punit Kumar Chellaramani, Company Secretary, had resigned with effect from 15th November, 2014. The Board at its meeting held on 30th May, 2015 had appointed Ms. Bernadette Dominic as the Company Secretary and Compliance Officer.

Board's Report (Contd.)

Mr. Surender Kumar was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 30th May, 2015 and will vacate his office at the ensuing Annual General Meeting. A notice in writing was received from a member of the Company in terms of Section 160 of the Companies Act, 2013 signifying the intention to propose the appointment Mr. Surender Kumar as a Director of the Company.

Mr. Surender Kumar, was also appointed as the Whole-time Director and Chief Operating Officer (COO) and Chief Financial Officer (COO) by the Board of Directors of the Company at its meeting held on 30th May, 2015 for a period of three years with immediate effect, subject to the approval of the members of the Company and the Central Government.

Mr. Girish Jhunjhunwala, Non-Executive, Non-Independent Director is liable to retire by rotation at the ensuing Annual General Meeting (AGM) pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible has offered himself for re-appointment.

A brief profile of the Directors proposed to be appointed and re-appointed, as required under Secretarial Standard 2 and Clause 49 of the Listing Agreement, is appended as an Annexure to the Notice of the ensuing AGM. The Board recommends the same for the approval of the shareholders of the Company.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under Sub Section (6) of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

Nomination and Remuneration Policy

Considering the requirement of skill set on the Board, eminent people having an independent standing in their respective field/profession and who can effectively contribute to Company's business and policy decisions are considered by the Nomination and Remuneration Committee for appointment as a Director on the Board. The Committee considers ethical standards of integrity, qualification, expertise and experience of the person for appointment as Director and accordingly recommend to the Board his/her appointment.

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has approved and adopted the Nomination and Remuneration Policy which sets out the criteria for determining qualifications, positive attributes, independence of a director, board diversity, remuneration for the directors, key managerial personnel and other employees etc.

The detailed policy is available on the Company's website link at: http://www.shalimarpaints.com/upload/investor_reports/Nomination%20and%20Remuneration%20Policy.pdf and is also annexed as '**Annexure - B**' to this report.

Annual Evaluation of Directors, Committees and Board

In compliance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors on recommendation of the Nomination and Remuneration Committee has approved and adopted the Evaluation Policy, setting out the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors.

On the basis of the consolidated report on questionnaire/feedback form received from the individual directors, the Board evaluated the performance of the Board, Board Committees and Individual Directors and noted its satisfaction on the outcome.

Board and its Committees

The Board of Directors met four times during the financial year 2014-15. The details of the Composition of the Board and its Committees and number of Board and Committee meetings held during Financial Year 2014-15 and attendance of Directors and members of the Committee at the said meetings are provided in the Report on Corporate Governance, which forms part of this Report.

Subsidiaries

As on 31st March, 2015, the Company has two subsidiaries, namely Shalimar Adhunik Nirman Limited (SANL) and Eastern Speciality Paints & Coatings Private Limited (ESPCPL). None of the Companies has become or ceased to be the Company's subsidiaries, during the year under review. Since no business activity was carried out either by SANL or by ESPCPL during the year under review, these subsidiaries have not prepared the Statement of Profit & Loss for the year 2014-15.

In accordance with Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts of Companies) Rules, 2014, the Company has prepared consolidated financial statements of the Company and its subsidiaries which forms part of the Annual Report. A statement in Form AOC- 1, containing the salient features of financial statements of the above mentioned subsidiaries of the Company is annexed as '**Annexure - C**' to this Report.

The audited financial statements of the subsidiary companies are available for inspection at the Company's Registered Office.

Any member desirous of obtaining a copy of said financial statements may write to the Company Secretary at Company's Registered Office.

The Company does not have any associate and/or joint venture company.

Auditors & Audit Report

Statutory Auditors

Messrs Chaturvedi and Partners, the Auditors of the Company, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

The Company has received confirmation from Messrs Chaturvedi and Partners, Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to act as Auditors of the Company, if re-appointed.

The Audit report on the financial statements for the year 2014-15 does not contain any qualifications, reservations or adverse remarks

Cost Auditors

Your Board had appointed Messrs D. Sabyasachi & Co., Cost Accountants, to carry out the Cost Audit in respect of Paints & Varnishes for the financial year 2014-15. However, in terms of Rule 4(2) of the Companies (Cost Records and Audit) Rules, 2014, the Cost Audit is not applicable to the Company for the financial year 2015-16.

The Cost Audit report for the financial year ended 31st March, 2014 has been filed with the Ministry of Corporate Affairs, Cost Audit Branch, Government of India on 16th December, 2014, vide SRN S34705392.

Secretarial Auditors

The Company had appointed Ms. Shipra Chattree, Practicing Company Secretary, to conduct Secretarial Audit for the financial year ended 31st March, 2015. The Secretarial Auditor has submitted her report in the prescribed Form MR-3, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as '**Annexure - D**' to this Report.

Corporate Social Responsibility

Corporate Social Responsibility (CSR) is traditionally driven by a moral obligation and philanthropic spirit. Through CSR there is a formation of a dynamic relationship between a Company on one hand and the society and environment on the other. The main responsibilities of the Company towards society at large are to eradicate hunger, poverty and malnutrition; promote education, promote preventive health care and sanitation and making available safe drinking water, promoting gender equality and empowering women.

In accordance with the requirements of Section 135 of the Companies Act, 2013, the Company had constituted a CSR Committee. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Report.

The CSR Policy of the Company, is available on the Company's website link at: http://www.shalimarpaints.com/upload/investor_reports/Corporate%20Social%20Responsibility%20Policy.pdf.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as '**Annexure - E**' to this Report.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing is included in Point No.11 of the Report on Corporate Governance, which forms part of this Report.

Listing

During the year, The Company's equity shares continue to be listed with BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited.

In wake of an application made by the Company pursuant to the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, the Company's equity shares have been delisted from the Calcutta Stock Exchange Limited with effect from 3rd July, 2015.

The Company has paid annual listing fees to the respective Stock Exchanges. As the trading in equity shares of the Company is permitted only in dematerialized form, the Company has made the requisite arrangements with National Securities Depository Limited and Central Depository Services (India) Limited to enable investors to hold shares in dematerialized form.

Board's Report (Contd.)

Risk Management

Risks Management is an integral part of Company's operating framework and is committed towards identifying key risks and managing them in a proactive and efficient manner. The Company periodically assesses both internal as well as external risks to which the Company is exposed to. Company, through its risk management system strives for timely identification, assessment, minimization and management of risks affecting the Company in the foreseeable future. Detailed discussion on Risk Management has been given as a part of Management Discussion & Analysis under the section 'Risks and Concerns', in the Report on Corporate Governance, which forms part of this Annual Report.

Internal Financial Control

The Company has in place adequate and comprehensive internal financial control system ensuring orderly, effective and efficient conduct of its business. Detailed discussion on internal control has been given as a part of Management Discussion & Analysis under the section 'Internal Control System', in the Report on Corporate Governance, which forms part of this Annual Report.

Audit Committee

As on 31st March, 2015, the Audit Committee of the Board of Directors of the Company comprised of Mr. Rajiv Rajvanshi, Mr. Aditya Vikram Lodha, Mr. Pujit Aggarwal and Ms. Pushpa Chowdhary, under the Chairmanship of Mr. Rajiv Rajvanshi. All the recommendations made by the Audit Committee were accepted by the Board.

Whistle Blower Policy/Vigil Mechanism

In compliance with the provisions of Section 177 (9) and (10) of the Companies Act, 2013 and the Clause 49 of the Listing Agreement, the Company has established a Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides adequate safeguards against victimization of whistle blower who avails of the mechanism and it also provides direct access to the Chairman of the Audit Committee in exceptional cases. During the year under report, there has been no incidence reported under Vigil Mechanism and no personnel has been denied access to the audit committee.

The Company has adopted a Whistle Blower Policy which is posted on the Company's website link at: http://www.shalimarpaints.com/upload/investor_reports/Whistleblower-Policy.pdf.

Extract of Annual Return

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in the prescribed Form MGT-9 is annexed as '**Annexure - F**' to this Report.

Significant and Material Orders

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

Particulars of Loans, Guarantees or Investments

Particulars of loans, guarantees and investments form part of Note no 2.12 to the Financial Statements provided in the Annual Report.

Related Party Transactions

All transactions entered into by the Company, during the year under review, with the Related Parties, as defined under the Companies Act, 2013, Rules framed thereunder and revised Clause 49 of the Listing Agreement with the Stock Exchanges, were in the 'ordinary course of business' and 'on arm's length' basis. As such, provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules 2014, are not applicable to the Company during the year under review.

There has been no materially significant Related Party Transactions during the period under review, which would have any potential conflict with the interest of the Company. Your Company did not have any Related Party Transaction which required prior approval of the Shareholders. Necessary disclosures required under the Accounting Standards (AS-18) have been made in the Notes to Financial Statements.

Your Board has approved and adopted a Related Party Transaction Policy and the same is available on the Company's Website link at: http://www.shalimarpaints.com/upload/investor_reports/Related-Party-Transaction-policy.pdf.

Sexual Harassment of Women at Workplace

As required under the provisions of the Sexual Harassment of Women at the Workplace Prevention, Prohibition & Redressal Act, 2013 read with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Rules, 2013, an Internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints sexual harassment, if any.

The following is a summary of sexual harassment complaints received and disposed off during the year ended 31st March, 2015:

No. of Complaints received : Nil

No. of Complaints disposed off : Nil

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with Rule 8 of the Companies Rules, 2014 is annexed as '**Annexure - G**' to this Report.

Particulars of Employees

The information, as required to be provided in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/employees of your Company is set out in '**Annexure - H**' to this Report.

Corporate Governance

The Company continues to comply with the requirements of the Listing Agreement with the Stock Exchanges where the Company's shares are listed. The report on Corporate Governance for the financial year ended 31st March, 2015, together with Certificate on its compliance, pursuant to requirements of Clause 49 of the Listing Agreement with Stock Exchanges is annexed as '**Annexure - I**' to this Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and there are no material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., as at 31st March, 2015 and of the profit and loss of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2014-15.

Industrial Relations and Personnel

Industrial relations remained cordial and satisfactory. Your Directors wish to place on record their deep sense of appreciation of the devoted services rendered by all officers, staff and workers of the Company.

Acknowledgements

The Directors would like to place on record their grateful appreciation of the co-operation and assistance received from the financial institutions, banks, investors, valued customers, various government agencies and business associates during the year under review.

The Directors value the trust shown by the shareholders in their ability to manage the Company. We expect that with the ongoing encouragement and support of our shareholders, we shall be successful in achieving the desired objectives in the near future.

For and on behalf of the Board

Date : 20th July, 2015
Place : New Delhi

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137

Rajiv Rajvanshi
Director
DIN: 00036605

Board's Report (Contd.)

'Annexure - A' to Board's Report

Disclosure in Directors report:

SHALIMAR STOCK OPTION 2013: STATUS AS ON 31.03.2015			
S. No	Particulars	ESOP SCHEME 2013	
1	Number of Stock options granted	743,000	
2	Pricing Formula	75.77	
3	Option Vested	22,700	
4	Number of Option exercised	NIL	
5	Number of Shares arising as a result of exercise of option	NIL	
6	Variation of terms of options	None	
7	Number of option lapsed	451,800	
8	Money realized upon exercise of options	NIL	
9	Total number of option in force	291,200	
10	(a)	Options granted to senior managerial personnel	
		Sameer Nagpal	280,000
	(b)	Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	
		Praveen Kumar Asthana	34,000
		Pravir Kumar	34,000
		Sanjay Chowdhury	25,000
		Sandeep Kokane	25,000
		Ketan Dinesh Girap	34,000
		Chandan Arora	100,000
		Shankar Subramanian	50,000
	Abhay Dadhich	15,000	
11	(i)	Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	
		Sameer Nagpal	280,000
11	(i)	Method of calculation of employee compensation cost	Intrinsic Value Method
	(ii)	Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognised if it had used the fair value of the options (₹ In Lacs)	8.75

Board's Report (Contd.)

	(iii)	The impact of this difference on profits and on EPS of the Company	—
		Profit including extra-ordinary items, as reported (₹ In Lacs)	(1,058.40)
		Add: Employee stock compensation under intrinsic value method (₹ In Lacs)	3.71
		Less: Employee stock compensation under fair value method (₹ In Lacs)	(12.46)
		Pro-forma profit (₹ In Lacs)	(1,067.15)
		Earnings Per Share	
		Basic	
		As reported (including extra-ordinary items) ₹	-5.59
		Pro-forma ₹	-5.64
		Diluted	
		As reported (including extra-ordinary items) ₹.	(5.53)
		Pro-forma ₹	(5.58)
12	a)	Weighted average exercise prices of option granted	75.77
	b)	Weighted average fair value of options granted on the date of grant ₹	79.06
13		Method and significant assumptions used to estimate the fair values of options Black Scholes Valuation Model	
	(i)	Weighted average share price / Fair value of share ₹	113.10
	(ii)	Exercise Price ₹	75.77
	(iii)	Annual Volatility (Standard Deviation Annual)	69.57%
	(iv)	Time To Maturity - in years	4.5
	(v)	Dividend Yield	0.00%
	(vi)	Risk free Rate Annual	8.15%

NOMINATION AND REMUNERATION POLICY

PREAMBLE

The Board of Directors (the "Board") on the recommendation of the Nomination and Remuneration Committee (the "Committee") has approved and adopted the Nomination and Remuneration Policy (the "Policy") in compliance with the provisions of Section 178 of the Companies Act, 2013 and rules made there under, and Clause 49 of the Listing Agreements with the Stock Exchanges.

OBJECTIVES

The objectives of this policy are:

- To lay down the criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive including Independent Directors), Key Managerial Personnel ("KMP") and persons who may be appointed in senior management positions;
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage for the Company.
- To determine criteria for remuneration of the Directors and Key Managerial Personnel and other senior management personnel's, keeping in view Company's size, financial position and trends and practices on remuneration prevailing in peer Companies.
- To carry out evaluation of the performance of Directors, as well as Key Managerial Personnel and provide necessary report to the Board for further evaluation by the Board;
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- To ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- To ensure that remuneration to Directors, Key Managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals";
- To provide for rewards linked directly to their effort, performance, dedication and achievement of Company's targets.
- To lay down the criteria for ensuring adequate diversity in its Board;

DEFINITIONS

"Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.

"Board" means Board of Directors of the Company.

"Committee" means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board from time to time in accordance with the provisions of Companies Act, 2013 and Clause 49 of the Listing Agreement.

"Company or the Company" means Shalimar Paints Limited.

"Director" means Director as defined under Section 2(34) of the Companies Act, 2013.

"Independent Director" means an Independent Director of the Company appointed pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

"Key Managerial Personnel", means a key-managerial personnel as defined under the Companies Act, 2013 and includes:

- (i) Managing Director or Chief Executive Officer or Manager and in their absence a Whole-time Director;
- (ii) Company Secretary;

- (iii) Chief Financial Officer; and
- (iv) such other officer as may be prescribed under the Companies Act, 2013.

“**Senior Management**” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

POLICY

This Policy is divided in four parts:

PART-A

Criteria for determining qualifications, positive attributes of Directors, KMPs and Senior Management Personnel and also independence of Independent Directors

- The Nomination and Remuneration Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director or KMP and recommend to the Board his/her appointment.
- The Management while evaluating a person for appointment / re-appointment in a senior management position, shall considers various factors including individual's background, competency, skills, abilities, educational and professional background, personal accomplishment, age, relevant experience and understanding of related field viz. marketing technology, finance or such other discipline relevant to present and prospective operations of the Company.
- A person should possess adequate qualifications, expertise and experience for the position he/she is considered for appointment as a Director. The Committee has discretion to decide whether qualifications, expertise and experience possessed by a person are sufficient/satisfactory for the concerned position and are in accordance with the provisions of the Act and Clause 49 of the Listing Agreement.
- The Committee shall ensure that a person proposed to be appointed as an Independent Director satisfies the criteria laid down under the Act read with Clause 49 of the Listing Agreement.
- The appointment and tenure of Directors, Independent Directors and KMPs shall be in accordance with the provisions of the Act read with Clause 49 of the Listing Agreement.

PART - B

Performance Evaluation of Board, its Committees and Directors

The evaluation of the performance of the Board, its Committees and Directors shall be carried out on an annual basis. The performance of the Board and Committees thereof shall be evaluated against their terms of reference. Evaluation of the performance of Directors shall include consideration of their skills, performance and contribution to the Board, Company strategy and Board Committees, their availability and attendance at Board and Committee Meetings.

PART-C

Remuneration of Directors, KMPs and Senior Management Personnel

- The remuneration of the Executive Directors, KMPs and Senior Management Personnel should be based on Company's financial position, industrial trends, remuneration paid by peer companies. The remuneration should be reasonable and sufficient to attract, retain and motivate the aforesaid persons.
- Remuneration to Executive Directors shall be paid by way of salary (including fixed pay and variable pay), allowances, perquisites and retirement benefits, based on recommendation of the Committee and approval of the Board and Shareholders and Central Government (if required).
- The Non-executive directors shall be paid remuneration by way of sitting fee for attending the meetings of the Board and Committees thereof.

Board's Report (Contd.)

- The KMPs shall be paid remuneration approved by the Board of Directors. The Senior Management Personnel shall be paid remuneration in line with the Company's internal HR policy.
- Increments in the existing remuneration of Executive Directors and KMPs shall be approved by the Committee in accordance with the provisions of Companies Act, 2013 and rules framed there under. Increments in the remuneration of Senior Management Personnel shall be as per Company's HR policy.

PART-D

Board Diversity

Board appointments will be based on merit and candidates will be considered on the basis of their skills, knowledge, experience, background and other distinguishing qualities, having due regard to the effectiveness of the Board. It will be ensured that the Board possesses a balance of skills appropriate for the requirements of the business of the Company. The Directors should have a mix of finance, legal, academic and management backgrounds that taken together provide the Company with considerable experience in a range of activities including varied industries, education, government, banking, investment and other professions.

Applicability of the Remuneration Policy

This Remuneration Policy shall apply to all future appointments of Directors, KMPs and Senior Management Personnel.

Amendment

Any modification / amendment in this Remuneration Policy may be carried out by the Board on the recommendation of the Nomination and Remuneration Committee. This policy will be subject to change as per amendment in the Companies Act, 2013, the Listing Agreement, or any other applicable Rules, Regulations and Guidelines.

Disclosure

This Policy shall be disclosed in the Annual Report and made available on the website of the Company.

Board's Report (Contd.)

'Annexure - C' to Board's Report

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 of the Act and Rule 5 of the Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries / associate companies / joint ventures

Part "A": Subsidiaries

(₹ in Lacs)

Name of the Subsidiary	Shalimar Adhunik Nirman Limited	Eastern Speciality Paints & Coatings Private Limited
Reporting Period	1st April, 2014 to 31st March, 2015	1st April, 2014 to 31st March, 2015
Reporting Currency	INR	INR
Share Capital	59.50	5.00
Reserves & Surplus	NIL	NIL
Total assets	559.50	5.37
Total liabilities	559.50	5.37
Investments	NIL	NIL
Turnover	NIL	NIL
Profit before taxation	NIL	NIL
Provision for taxation	NIL	NIL
Profit after taxation	NIL	NIL
Proposed Dividend	NIL	NIL
% of shareholding	99.99%	100%

Part "B": Associates and Joint Ventures - Not applicable

SECRETARIAL AUDIT REPORT

For The Financial Year Ended On 31st March, 2015

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of The Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Shalimar Paints Ltd
Goaberia, P.O. Danesh Shaikh Lane,
Howrah, West Bengal -711109

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shalimar Paints Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Based on our examination and further verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2015, complied with the statutory provisions listed hereunder:

- (i) The Companies Act, 1956, to the extent applicable, The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations. 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (not applicable to the Company during the audit period).
- (vi) OTHER APPLICABLE ACTS,
 - (a) Factories Act, 1948
 - (b) Payment Of Wages Act, 1936, and rules made thereunder,

Board's Report (Contd.)

- (c) The Minimum Wages Act, 1948, and rules made thereunder,
- (d) Employees' State Insurance Act, 1948, and rules made thereunder,
- (e) The Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,
- (f) The Payment of Bonus Act, 1965, and rules made thereunder,
- (g) Payment of Gratuity Act, 1972, and rules made thereunder,
- (h) The Water (Prevention & Control of Pollution) Act, 1974, Read with Water (Prevention & Control of Pollution) Rules, 1975,
- (i) Food Safety and Standards Act, 2006, and rules made thereunder.
- (j) The Stamp Act 1899

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

The Listing Agreements entered into by the Company with BSE Limited, and National Stock Exchange of India Limited.

The company's shares are no more listed at Calcutta Stock Exchange (CSE). The Company had applied to CSE for voluntary delisting in the year 2014 and CSE has issued Letter on 3rd July, 2015 intimating about delisting of shares.

The Secretarial Standards issued and notified by the Institute of Company Secretaries of India were not applicable for the financial year under review and were optional. Therefore, we have not commented on the said compliances.

We further report that, The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

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

We further report that during the Audit Period these specific events have taken place in the Company:

- The Members of the Company at its 112th Annual General Meeting held on 26th September, 2014 as detailed in the item no. 8 of the notice of the said AGM dated 30th May, 2014 has pursuant to the provisions of Section 180 (1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactments thereof) accorded its consent to the Board of Directors to mortgage and/or charge, in addition to the mortgages/charges/hypothecation created/to be created by the Company in such form and manner and with such ranking and at such time and on such terms, as the Board may determine, on all or any of the movable and/or immovable properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of business and concern of the Company in certain events of default, in favour of the lender(s), investors, agent(s), trustee(s) for securing the borrowings of the Company availed/ to be availed by way of loans (in foreign currency and /or in rupee currency) and securities (comprising of fully/partly convertible debentures/non convertible debentures and/or commercial papers and/or secured premium notes and/or floating rates notes/bonds or other debt instruments), issued/ to be issued by the Company, from time to time, in one or more tranches, upto an aggregate limit of ₹ 400 Crores (Rupees four hundred crore only) together with interest at the respective agreed rates, additional interest in case of default, accumulated interest, liquidated damages, commitment charges, premium on re-payment, remuneration of the agents and/or trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation/fluctuation in the rates of exchange and all other monies payable by the Company in terms of the respective loan agreement(s), debenture trust deed(s) or any other document entered into/ to be entered into between the Company and the lender(s)/investor(s)/agent(s) and/or trustee(s) in respect of the said loans/borrowings/debentures/ any other securities and continuing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and lenders, agents and/or trustees.

Fresh consent was obtained in the 112th Annual General Meeting of the Shareholders of the Company held on 26th September, 2014 by way of special resolution in terms of provisions of Section 180(1)(c) of the Companies Act, 2013 to borrow moneys from time to time, upto an aggregate limit of ₹400 crore (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) in excess of the aggregate of paid-up share capital and free reserves of the Company.

Delhi
July 16, 2015

Shipra Chatterjee
Practising Company Secretary
COP No.: 13539



THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

I. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY:

The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs. Through the Company's Corporate Responsibility efforts, the Company aims to bring change that betters the quality of people's lives, particularly in and around the areas from which the Company operates. The Company seeks to undertake positive interventions that will have a measurable, long-term impact on the communities of which the Company is a part.

The Company is committed towards improving the quality of lives of people in the communities in which it operates because the Company strongly believes that the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its duty.

At Shalimar Paints Limited, the CSR activities centre's around the following areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
2. Vocational Training programmes to enhance the employability skills of the beneficiaries.
3. Promoting education, including special education and employment, especially among children, women, elderly and the differently-abled and livelihood enhancement projects.
4. Promoting gender equality, empowering women, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
5. Training to promote rural sports, nationally recognized sports, Para-Olympic sports and Olympic sports.
6. Contribution to the Prime Minister's National Relief Fund.
7. Rural Development Projects.

The detailed CSR Policy of the Company is available on the Company's website link at: http://www.shalimarpaints.com/upload/investor_reports/Corporate%20Social%20Responsibility%20Policy.pdf.

II. THE COMPOSITION OF THE CSR COMMITTEE:

The composition of the CSR Committee as on 20th July, 2015 is as follows:

Name	Designation
Mr. Surender Kumar, Chairman	Whole-time Director and COO & CFO
Mr. Rajiv Rajvanshi	Non Executive Independent Director
Ms. Pushpa Chowdhary	Non Executive Independent Director

III. AVERAGE NET PROFIT OF THE COMPANY FOR THE LAST 3 FINANCIAL YEARS: Rs. 925.14 Lacs

IV. PRESCRIBED CSR EXPENDITURE (2% OF THIS AMOUNT AS IN POINT NO. III ABOVE) : Rs. 18.50 Lacs

V. DETAILS OF CSR SPEND FOR THE FINANCIAL YEAR:

- (a) Total amount spent for the financial year: ₹ 3.47 Lacs
- (b) Amount unspent, if any: ₹ 15.03 Lacs

(c) Manner in which the amount spent during the financial year is detailed below:

(Amount in ₹ Lacs)

Sr. No	CSR projects/ activities identified	Sector in which the Project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project/ Programs wise	Amount Spent on the Projects or Programs		Cumulative Expenditure up to the reporting period	Amount spent: Direct or through implementing agency
					Direct Expenditure on the Projects or Programs	Overheads		
1	Promoting education	Education	West Bengal (Howrah District)	3.47	3.47	—	3.47	Directly

VI. Your Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates.

This being the first year of implementation of the CSR policy, your Company could spend only a part of the prescribed CSR expenditure. Because of cash loss during the financial year 2014-15, the Company could not fully spend prescribed CSR expenditure. However, the Company proposes to incur CSR expenditure in accordance with provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Chairman, CSR Committee

Board's Report (Contd.)

'Annexure - F' to Board's Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

- i) CIN L24222WB1902PLC001540
- ii) Registration Date 16th December, 1902
- iii) Name of the Company Shalimar Paints Limited
- iv) Category of the Company Company Limited by Shares
- Sub-Category of the Company Indian Non-Government Company
- v) Address of the Registered office and contact details Goaberia, P.O. Danesh Shaikh Lane, Howrah - 711109, West Bengal
Tel. : 033 26443201
Email : hwhsec@shalimarpaints.com
- vi) Whether listed Company Yes
- vii) Name, Address, Contact details of Registrar and Transfer Agents (RTA)
- i) With effect from 1st July, 2015
MCS Share Transfer Agent Ltd
12/1/5, Manoharpukur Road,
Kolkata - 700 026, West Bengal
Tel.: 033-40724051 & 52
Email: mcssta@rediffmail.com
- ii) Up to 30th June, 2015
MCS Limited
77/2A, Hazra Road,
Kolkata - 700 029, West Bengal
Tel : 033-40724052, 24767350,
Fax : 033-24541961
Email: mcskol@rediffmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

SN	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Paints, Varnishes, Enamels or Lacquers	20221	99.44%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES :

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shalimar Adhunik Nirman Limited Add: 9A, Cannaught Place, Above ICICI Bank, New Delhi 110001	U24220DL2007PLC168944	Subsidiary	99.99%	Section 2 (87) of the Companies Act, 2013
2.	Eastern Speciality Paints & Coatings Private Limited Add: Flat No. 3, 13, Dr. Sarat Banerjee Road, Kolkata, West Bengal - 700029	U24240WB2009PTC133081	Subsidiary	100%	Section 2 (87) of the Companies Act, 2013

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity) :

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical Shares	Total	% of Total	Demat	Physical Shares	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/HUF	265000	-	265000	1.40	265000	-	265000	1.40	0.00
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5666080	-	5666080	29.93	5666080	-	5666080	29.93	0.00
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	5931080	-	5931080	31.33	5931080	-	5931080	31.33	0.00
(2) Foreign									
a) NRIs - Individuals	30500	-	30500	0.16	30500	-	30500	0.16	0.00
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	5841570	-	5841570	30.86	5841570	-	5841570	30.86	0.00
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	5872070	-	5872070	31.02	5872070	-	5872070	31.02	0.00
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	11803150	-	11803150	62.36	11803150	-	11803150	62.36	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	255280	-	255280	1.35	3298	-	3298	0.02	(1.33)
b) Banks / FI	-	250	250	0.00	1790	250	2040	0.01	0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	332750	-	332750	1.76	332750	-	332750	1.76	0.00
g) FIs	19581	-	19581	0.10	540830	-	540830	2.86	2.76
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	607611	250	607861	3.21	878668	250	878918	4.64	1.43
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1553352	16580	1569932	8.29	1660199	14080	1674279	8.85	0.56
ii) Overseas	-	-	-	-	-	-	-	-	-

Board's Report (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical Shares	Total	% of Total	Demat	Physical Shares	Total	% of Total	
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	3175286	507629	3682915	19.46	3055208	475155	3530363	18.65	(0.81)
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	776404	-	776404	4.10	871926	-	871926	4.61	0.51
c) Others (specify)									
i. Trust	250	0.00	250	0.00	250	0.00	250	0.00	0.00
ii. Non Resident Individual	487178	410	487588	2.58	168804	410	169214	0.89	(1.69)
Sub-total (B)(2):-	5992470	524619	6517089	34.43	5756387	489645	6246032	33.00	(1.43)
Total Public Shareholding (B)=(B)(1)+(B)(2)	6600081	524869	7124950	37.64	6635055	489895	7124950	37.64	(0.00)
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	18403231	524869	18928100	100	18438205	489895	18928100	100	0.00

(iii) Shareholding of Promoters

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Hind Strategic Investments	5841570	30.86	-	5841570	30.86	-	0.00
2	Hexa Securities and Finance Co.Ltd.	1500000	7.92	-	1500000	7.92	-	0.00
3	Nalwa Sons Investments Ltd.	1372590	7.25	-	1372590	7.25	-	0.00
4	Colarado Trading Co Ltd.	1224635	6.47	-	1224635	6.47	-	0.00
5	Nalwa Investments Limited	1193855	6.31	-	1193855	6.31	-	0.00
6	Jindal Equipment Leasing and Consultancy Services Ltd.	102500	0.54	-	102500	0.54	-	0.00
7	Stainless Investments Ltd.	82500	0.44	-	82500	0.44	-	0.00
8	Sun Investments Limited	82500	0.44	-	82500	0.44	-	0.00
9	Prithvi Raj Jindal	72000	0.38	-	72000	0.38	-	0.00
10	Abhinandan Investments Ltd.	55000	0.29	-	55000	0.29	-	0.00
11	Mansarover Investments Ltd.	52500	0.28	-	52500	0.28	-	0.00
12	Sajjan Jindal	31000	0.16	-	31000	0.16	-	0.00
13	Ratan Jindal	30500	0.16	-	30500	0.16	-	0.00
14	Deepika Jindal	30000	0.16	-	30000	0.16	-	0.00

Board's Report (Contd.)

SN	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
15	Sarita Devi Jain	20000	0.11	-	20000	0.11	-	0.00
16	Hina Devi Goyal	20000	0.11	-	20000	0.11	-	0.00
17	Kusum Mittal	20000	0.11	-	20000	0.11	-	0.00
18	S K Jindal and Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
19	Savitri Devi Jindal	12300	0.06	-	12300	0.06	-	0.00
20	Prithvi Raj Jindal & Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
21	Naveen Jindal & Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
22	Sminu Jindal	10500	0.06	-	10500	0.06	-	0.00
23	R. K. Jindal & Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
	Total	11803150	62.36	-	11803150	62.36	-	0.00

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

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SL. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Matthews Emerging Asia Fund	-	-	-	-	-	-	-
				05/09/2014	20351	Purchase	20351	0.11
				10/10/2014	255138	Purchase	275489	1.46
				12/09/2014	10743	Purchase	286232	1.51
				14/11/2014	120658	Purchase	406890	2.15
				16/01/2015	101808	Purchase	508698	2.69
				23/01/2015	17132	Purchase	525830	2.78
31/03/2015	-	-	525830	2.78				
2	Asha Mukul Agrawal	455464	2.41	01/04/2014	-	-	455464	2.41
				31/03/2015	-	-	455464	2.41
3	Assured Fin - Cap Pvt. Ltd.	380825	2.01	01/04/2014	-	-	380825	2.01
				31/03/2015	-	-	380825	2.01
4	National Insurance Company Ltd.	332750	1.76	01/04/2014	-	-	332750	1.76
				31/03/2015	-	-	332750	1.76
5	Mathew Cyriac	-	-	-	-	-	-	-
				11/04/2014	100000	Purchase	100000	0.53
				18/07/2014	17500	Purchase	117500	0.62
				25/07/2014	55000	Purchase	172500	0.91
				29/08/2014	14000	Purchase	186500	0.99
				10/10/2014	(19000)	Sale	167500	0.88
				20/03/2015	(6062)	Sale	161438	0.85
31/03/2015	-	-	161438	0.85				

Board's Report (Contd.)

SL. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
6	Ever Plus Securities and Finance Limited	150850	0.80	01/04/2014			150850	0.80
				31/03/2015			150850	0.80
7	Aggarwal Finlease Pvt. Ltd.	137990	0.73	01/04/2014			137990	0.73
				31/03/2015			137990	0.73
8	Renuka Financial Services Ltd.	113680	0.60	01/04/2014			113680	0.60
				31/03/2015			113680	0.60
9	Madhavan Kunniyur	-	-	-			-	-
				10/10/2014	23514	Purchase	23514	0.12
				24/10/2014	40000	Purchase	63514	0.34
				21/11/2014	22500	Purchase	86014	0.45
				05/12/2014	5592	Purchase	91606	0.48
				13/03/2015	9878	Purchase	101484	0.54
31/03/2015			101484	0.54				
10	Kishan Gopal Mohta	100085	0.53	01/04/2014			100085	0.53
				31/03/2015			100085	0.53
11	Devang Avlani	370257	1.96	01/04/2014			370257	1.96
				09/05/2014	(45000)	Sale	325257	1.72
				16/05/2014	(14638)	Sale	310619	1.64
				23/05/2014	(70362)	Sale	240257	1.27
				30/05/2014	(29760)	Sale	210497	1.11
				20/06/2014	(16283)	Sale	194214	1.03
				05/09/2014	(74214)	Sale	120000	0.63
				21/11/2014	(30000)	Sale	90000	0.48
				28/11/2014	(20000)	Sale	70000	0.37
				05/12/2014	(20000)	Sale	50000	0.26
				06/03/2015	20000	Purchase	70000	0.37
31/03/2015	-	-	70000	0.37				
12	DSP Blackrock Micro Cap Fund	255280	1.35	01/04/2014			255280	1.35
				13/06/2014	(170882)	Sale	84398	0.45
				20/06/2014	(84398)	Sale	-	-
				31/03/2015			-	-

(v) Shareholding of Directors and Key Managerial Personnel

SL. No.	Name of the Directors and Key Managerial Personnel	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2014 to 31st March, 2015)	
		No. of shares at the beginning of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Ratan Jindal	30500	0.16	01/04/2014			30500	0.16
				31/03/2015			30500	0.16
2	Sameer Nagpal	2850	0.02	01/04/2014			2850	0.02
				31/03/2015			2850	0.02

V. INDEBTEDNESS

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	10994.40	-	-	10994.40
ii) Interest due but not paid	12.89	-	-	12.89
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	11007.29	-	-	11007.29
Change in Indebtedness during the financial year				
Addition	2491.25	-	-	2491.25
Reduction	500.00	-	-	500.00
Net Change	1991.65	-	-	1991.65
Indebtedness at the end of the financial year				
	-	-	-	--
i) Principal Amount	12979.05	-	-	12979.05
ii) Interest due but not paid	19.49	-	-	19.49
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	12998.54	-	-	12998.54

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration of Managing Director, Whole-time Director and/or Manager

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Sameer Nagpal, MD & CEO	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	96,50,266	96,50,266
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	- as % of profit	-	-
	- Others, specify	-	-
5	Others, specify		
	Provident Fund	3,96,000	3,96,000
	Non-taxable Reimbursements	7,95,000	7,95,000
Total (A)		1,08,41,266	1,08,41,266
Ceiling as per the Act (10% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)		The Company has incurred a net loss of ₹ 1495.42 lacs as per the calculation under Section 198 of the Companies Act, 2013. Hence, remuneration was paid as per Schedule V of the Companies Act, 2013	

Note:

- Mr. Sameer Nagpal was granted 2,80,000 stock options on 6th August, 2013 under the Company's 'ESOP Scheme 2013' and out of these only 14,000 stock options vested during the financial year 2014-15 and nil were exercised during the said period. Since no stock options were exercised during the period thus the value of the stock option are not included in the remuneration.
- The performance linked variable pay is also not included in the remuneration as the same was not paid during the financial year 2014-15.
- The Company has applied for and awaiting the requisite approval of the Central Government for payment of remuneration to Mr. Sameer Nagpal.

Board's Report (Contd.)

B. Remuneration to other directors

(Amount in ₹)

B1: Independent Directors				
Name of Independent Directors	Fee for attending Board / committee meetings	Commission	Others, Specify	Total
Mr. Aditya Vikram Lodha	40,000	-	-	40,000
Mr. Pujit Aggarwal	40,000	-	-	40,000
Ms. Pushpa Chowdhary ⁽¹⁾	1 10,000	-	-	1,10,000
Dr. Raghavachari Srinivasan ⁽²⁾	30,000	-	-	30,000
Mr. Rajeev Rajvanshi	1,30,000	-	-	1,30,000
Total B1	3,50,000	-	-	3,50,000
B2: Other Non-Executive Directors				
Name of Other Non-Executive Directors				
Mr. Girish Jhunjhnuwala	30,000	-	-	30,000
Mr. Ratan Jindal	60,000	-	-	60,000
Total B2	90,000	-	-	90,000
Total B=(B1+B2)	4,40,000	-	-	4,40,000
Ceiling as per the Act (1% of Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	The Company has incurred a net loss of Rs. 1495.42 lacs as per the calculation under Section 198 of the Companies Act, 2013. Hence, remuneration was paid as per Schedule V of the Companies Act, 2013			
Total Managerial Remuneration (A+B)	112.81 Lacs			
Total ceiling as per the act (11% Net Profits of the Company calculated as per Section 198 of the Companies Act, 2013)	The Company has incurred a net loss of Rs. 1495.42 lacs as per the calculation under Section 198 of the Companies Act, 2013. Hence, remuneration was paid as per Schedule V of the Companies Act, 2013			

Note:

- (1) Ms. Pushpa Chowdhary was appointed as an Additional Director and Member of the Audit and Nomination and Remuneration Committee by the Board in its meeting held on 30th May, 2014.
- (2) Dr. Raghavachari Srinivasan ceased to be a Director of the Company w.e.f. 26th September, 2014 and Ceased to be the Chairman and Member of the Audit and Nomination and Remuneration Committee pursuant to the reconstitution of the Committee by the Board on 30th May, 2014.

C. Remuneration to Key Managerial Personnel other than Managing Director / Whole-time Directors / Manager

SL. No.	Particulars of Remuneration	Mr. Chandan Arora, Chief Financial Officer (appointed on 1st Sept, 2014) (₹)	Mr. Punit Kumar Chellaramani, Company Secretary (resigned on 15th Nov, 2014) (₹)	Total Amount (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45,98,956	11,29,783	57,28,739
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, specify			
	Provident Fund	1,75,000	39,938	2,14,938
	Non-taxable Reimbursements	30,897	-	30,897
	Total	48,04,853	11,69,721	59,74,574

VII. Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compounding of offences for breach any section of Companies Act against the Company or its Directors or other officers in default if any during the year.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014

(A) Conservation of Energy

(I) The steps taken or impact on conservation of energy:

Shalimar Paints have manufacturing facilities at multiple locations. All these manufacturing facilities continued their efforts to reduce the specific energy consumption. Energy consumption is tracked on continuous basis at individual factory level. In addition to the regular practices and measures for energy conservation, many new initiatives were driven across the manufacturing units. The measures taken at your Company's manufacturing units are summarized as below:

Process standardization, optimization and automation for making them energy efficient.

Efforts have been put consistently year on year to optimize the use of energy consumption in production processes and operation of utilities. A few notable measures taken last year include:

- Resin and Packaging plant design with gravity flow at Nashik Plant.
- Use of cooling water for faster temperature adjustment and lower cycle time.
- Proper insulation of thermo pack and cooling water line for minimum heat loss.
- Periodical monitoring of Vacuum line, Compressed Air line, Steam and thermo pack line for any kind of leakage and immediate repairs if any.
- Optimized mill base consistency during grinding process for efficient dispersion at lower energy and higher throughput.
- Standardized tip speed and improved agitator / cowl design that produce higher sheer and generate less heat for energy efficient dispersion process.
- Optimum grinding media to mill base ratio for enamels for energy efficient processing.
- Use of high pressure water jet for cleaning TSD and HSD for generating minimum quantity of wash water, most part of which is used in the product itself.
- In process of replacing fixed drive operation in case of TSD and HSD to Variable Frequency Drive (VFD's) for energy efficient operations.
- Replacement of conventional lamps at laboratory and office with LED or energy efficient lamps.
- Installation of LED at Chennai Plant.

(II) The steps taken by the company for utilizing alternate sources of energy:

- Solar based day light system at manufacturing plant and periodical cleaning of translucent sheets for optimal light inside plant during day time.
- Planning solar panels based energy efficient street lighting at plants.

(III) The capital investment on energy conservation of equipments:

The Company has not made any capital investment on energy conservation equipment during the financial year 2014-15.

Board's Report (Contd.)

(B) TECHNOLOGY ABSORPTION

(I) The efforts made towards technology absorption:

The Research and Development department (R&D) of our Company is carrying out the following activities to fulfil short term and long term business goals of your Company:

- Continuous value engineering through various means such as formula modification, new and alternate RM use, vendor development.
- Import substitution and identification of new local counter raw materials for development.
- Development of new products and processes related to interior and exterior decorative coatings, Industrial protective and maintenance coatings and intermediates.
- Development of Resins and other polymeric intermediates for paints and coating.
- Development of Packaging and General Industrial coatings.
- Up gradation of existing product and processes to improve quality, reduce cost, save cycle time, energy consumption and overall operational efficiency.
- Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- Development of effective and efficient test methods to speed up testing of incoming raw materials.
- Undertaking collaborative development and testing projects with vendors, academia and institutes.

(II) The benefits derived like product improvement, cost reduction, product development or import substitution:

During financial year 2014-15 following 5 new product upgrades were undertaken for benchmarking, development, validation and soft launch.

- No 1 Primer for interior masonry surface upgrade.
- Super Shaktiman for Exterior masonry surface upgrade.
- No. 1 Silk Upgrade for interior finishing.
- No. 1 PAD Upgrade.
- Superlac High Gloss Enamel, White and 16 shades plus three machine tintable bases upgrade In addition, following New products were developed and validated during the financial year 2014-15.
- Development and certification of Solvent Free Epoxy Coating for potable water application.
- Development and certification of Bitumen coating for potable water application.
- Development of Surface tolerant self-priming anticorrosive coating.
- Development of Zinc Silicate fast drying primer with 60% volume solids.
- Development of coating system for LPG cylinders.

(III) Your Company has not imported any technology during last three years reckoned from the beginning of the financial year.

(IV) The expenditure incurred on Research and Development:

₹ in Lacs

Particulars	FY 2014-15	FY 2013-14
Capital	70.04	1.32
Recurring	129.86	182.13
Total	199.90	183.45

Board's Report (Contd.)

Your Company has accorded highest priority in making the entire premium range of decorative products environment friendly (Green). Programs are continuing to make the remaining products environment friendly and free from known toxic chemicals, wherever possible, without affecting performance and minimum or no cost impact. Your Company has also completed the mapping of toxicity levels of raw materials and identified measures to be taken to mitigate risk during handling, manufacture and application. These measures are under implementation across plants. Appropriate mechanism has been instituted to prevent use of toxic materials.

In new product design, your Company is also looking for alternate manufacturing machineries to improve manufacturing efficiency w.r.t. cycle time, power consumption, waste reduction etc. A number of programs are undertaken in collaboration with R&D and manufacturing to design specific formulations Right First Time (RFT) and improving quality consistency.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Lacs
(Equivalent INR value of
various currencies)

Particulars	FY 2014-15	FY 2013-14
Inflow	34.70	80.80
Outflow	2795.80	3553.30

Board's Report (Contd.)

ANNEXURE -'H' to Board's Report

Particulars of employees

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

Relevant Clause u/r 5(1)	Prescribed Requirement	Details			
(i)	Ratio of the remuneration of each director to the Median Remuneration to the employees of the company for the financial year	Ratio of the remuneration of Mr. Sameer Nagpal, Managing Director & CEO to the median remuneration of employees 58.25:1 <u>Notes:</u> 1. Sitting fees paid to the Directors have not been considered under this clause 2. For calculation of median remuneration overall payout is considered which includes basic salary, allowances, contribution towards provident fund, statutory bonus and excludes gratuity and leave encashment.			
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year.	KMP	Remuneration 2014-15 (Rs.)	Remuneration 2013-14 (Rs.)	Change in %
		Mr. Sameer Nagpal, Managing Director & CEO (Appointed on 25th May, 2013)	1,40,00,000	1,30,00,000	8%
		Mr. Chandan Arora, CFO (Appointed on 1st September, 2014)	1,00,00,000	N.A.	NA
		Mr. Punit Kumar Chellaramani, Company Secretary (Appointed on 12th September, 2013 and Resigned on 15th November, 2014)	21,50,000	19,25,000	12%
		Mr. Deepak Khetan (appointed on 18th January, 2013 and resigned on 19th February, 2014)	NA	68,00,140	NA
		Note: While calculating remuneration total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.			
(iii)	Percentage increase in median remuneration of employees in the financial year	(-3.96%) Note: For calculation of median remuneration overall payout is considered which includes basic salary, allowances, contribution towards provident fund, statutory bonus and excludes gratuity and leave encashment.			
(iv)	Number of permanent employee on the rolls of the company.	609 Employees			
(v)	Explanation on the relationship between average increase in remuneration and company performance.	Average increase in remuneration: 5 % (As per Market Norms) Note: While calculating remuneration total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.			
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	Despite Net Loss during the year, your company has paid remuneration to Key Managerial Personnel as per market norms as your Company is committed in ensuring fair pay and healthy work environment for all its employees.			
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	Variations in market capitalisation. - Market Capitalisation as at 31.03.2014: Rs. 139.40 Cr - Market Capitalisation as at 31.03.2015: Rs 266.41 Cr. Variations in the PE Ratio PE Ratio as at 31.03.2014: N.A.* PE Ratio as on 31.03.2015: N.A. * Note: *EPS is negative for the financial year 2014-15 and 2013-14. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer: 7037% (Closing share price on National Stock Exchange of India Limited has been used for above calculations. This does not consider the bonus shares issues, if any, after initial public offer.)			

Board's Report (Contd.)

Relevant Clause u/r 5(1)	Prescribed Requirement	Details
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	Average increase in the salaries of employees other than the managerial personnel is 5% which is in line with the average increase of 5% in the managerial remuneration. Note: while calculating remuneration total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Covered in sub clause vi above.
(x)	The key parameters for any variable component of remuneration availed by the directors	None of the Directors of your company has availed any variable component of remuneration during the year.
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	There is no employee of the company who received remuneration in excess of the highest paid director during the year.
(xii)	Affirmation that the remuneration is as per the remuneration policy of the company.	It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Nomination and Remuneration Policy of your Company.

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Details of employees, employed throughout the financial year 2014-15, was in receipt of remuneration for that year which in aggregate, was not less than sixty lakh rupees

Name	Designation	Remuneration received	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Sameer Nagpal	MD & CEO	1,08,41,266	PGDBM (IIM C)	24	18-Mar-2013	46	Ingersoll Rand

2. Details of employees, employed for a part of the financial year 2014-15, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month:

Name	Designation	Remuneration received	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Chandan Arora	CFO	48,04,853	MBA (Finance)	18	1-Sep-14	38	Diebold Systems Pvt. Ltd.
Shankar Subramanian	Vice President - Decorative Business	48,32,356	PGDBA	16	1-Jul-14	41	Ingersoll Rand

Notes:

- None of the employees mentioned above is related to any Director of the Company within the meaning of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- None of the employees who were employed throughout the financial year ended March 31, 2015 or part thereof, were in receipt of remuneration for that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director.
- None of the employees mentioned above hold more than 2% of the shares of your company, along with their spouse and dependent children.
- Remuneration includes basic salary, allowance, contribution to provident fund and superannuation fund and taxable value of perquisites but excludes provision of gratuity and leave encashment.
- All appointments are contractual and terminable by notice on either side.

REPORT ON CORPORATE GOVERNANCE

In Compliance with the Clause 49 of the Listing Agreement with the Stock Exchanges, the Directors submit the following Report on the Corporate Governance, for the information of the shareholders.

1. Company's Philosophy on Code of Governance

The Company has always been committed to good corporate governance and adequate disclosure and it lays emphasis on transparency, accountability and integrity in all its operations and dealings with its customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

The Company believes all its actions and operations must serve the underlying goal of enhancing overall shareholders' value, over a sustained period of time.

The Company is committed on creating and sustaining a relationship of trust, belief and transparency with all stakeholders and as a part of its growth and development strategy, it places the highest importance on strengthening and further developing Corporate Governance initiatives.

2. Board of Directors

Composition

The Composition of the Board is in compliance with the provisions of Section 149 (4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and Clause 49 of the Listing Agreement with the Stock Exchanges. The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with a promoter non-executive Director as its Chairman.

As on 31st March, 2015, the Board of Directors of the Company comprised of seven Directors, two of whom being promoters (Non-Executive Directors) and one Executive Director. The remaining four being Non-Executive, Independent Directors, including one woman Director.

Ms. Pushpa Chowdhary was appointed as an Additional Director, in Independent Category with effect from 30th May, 2014.

During the year under Review, Dr. Raghavachari Srinivasan, the retiring Director under Independent Category pursuant to Clause 49 of the Listing Agreement, expressed his unwillingness to be re-appointed at the Annual General Meeting held on 26th September, 2014 and therefore, ceased to be a director with effect from 26th September, 2014.

Mr. Sameer Nagpal, Managing Director and CEO and Mr. Pujit Aggarwal, Non-Executive, Independent Director, had resigned from the Board of the Company with effect from 30th May, 2015 and 16th June, 2015, respectively and Mr. Surender Kumar, was appointed as the Whole-time Director and Chief Operating Officer & Chief Financial Officer by the Board of Directors of the Company in its meeting held on 30th May, 2015.

Detailed profile of each of the Directors is available on the Company's website at www.shalimarpaints.com.

The Composition of the Board as on 31st March, 2015 and the requisite information, according to Clause 49 of the Listing Agreement are provided below:

Name of Director	DIN	Category	No. of other Directorships ⁽¹⁾	As on 31st March, 2015	
				Membership and Chairmanship of Committees of the Board of other Companies ⁽²⁾	
				Member	Chairman
Promoter Directors					
Mr. Girish Jhunjhnuwala	01093551	Chairman-Non Executive Director	-	-	-
Mr. Ratan Jindal	00054026	Non Executive Director	7	-	-
Executive Director					
Mr. Sameer Nagpal	06599230	Managing Director and CEO	1	-	-
Non-Executive Independent Directors					
Mr. Aditya Vikram Lodha	00036158	Independent Director	3	1	-
Mr. Pujit Aggarwal	00133373	Independent Director	2	-	1
Ms. Pushpa Chowdhary ⁽³⁾	06877982	Independent Director	-	-	-
Mr. Rajeev Rajvanshi	00036605	Independent Director	9	-	1

(1) Directorships held by the Directors as mentioned above do not include directorship held in Shalimar Paints Limited, foreign companies, private limited, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013.

- (2) Committees considered for the purpose are those prescribed under Clause 49(III)(D)(2) of the Listing Agreement i.e. Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies other than Shalimar Paints Limited. Committee membership details provided do not include chairmanship of committees as it has been provided separately.
- (3) Ms. Pushpa Chowdhary was appointed as an Additional Director by the Board in its meeting held on 30th May, 2014 and was regularised and appointed as an Independent Director for a term of five years at the Annual General Meeting held on 26th September, 2014.
- (4) None of the Directors are relatives of any other Director as per the provisions of Section 2 (77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014.
- (5) None of the Directors except the following, held equity shares in the Company as on 31st March, 2015:

Mr. Ratan Jindal	30,500 equity shares
Mr. Sameer Nagpal	2,850 equity shares

Appointment/ Re-appointment of Directors

Mr. Surender Kumar was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 30th May, 2015 and will vacate his office at the ensuing Annual General Meeting. A notice in writing has been received from a member of the Company in terms of Section 160 of the Companies Act, 2013 signifying the intention to propose the appointment of Mr. Surender Kumar as a Director of the Company.

Mr. Surender Kumar, was also appointed as the Whole-time Director and Chief Operating Officer & Chief Financial Officer by the Board of Directors of the Company at its meeting held on 30th May, 2015 for a period of three years with effect from that date, subject to the approval of the members of the Company and the Central Government.

Mr. Girish Jhunjhnuwala, Promoter Non-Executive Director is liable to retire by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and being eligible to offer himself for re-appointment.

The Board recommends the appointment/re-appointment, as mentioned above for the approval of the shareholders at the ensuing Annual General Meeting.

Detailed profile and other information as required under Clause 49(VIII)(E) of the Listing Agreement, of the aforesaid proposed appointees are provided in the Notice of the ensuing Annual General Meeting.

Board Meetings and Annual General Meeting

During the financial year 2014-15, four meetings of the Board of Directors were held i.e. on 30th May, 2014, 29th July, 2014, 11th November, 2014, 3rd February, 2015. The last Annual General Meeting (AGM) of the Company was held on 26th September, 2014. The necessary quorum was present for all the meetings.

Details of attendance of Directors at the Board Meetings held during the financial year 2014-2015 and at the last AGM are as follows:

Name of Director	Number of Board Meetings Attended (Total held during tenure)	Attendance at the last AGM
Mr. Girish Jhunjhnuwala	2 (4)	Absent
Mr. Ratan Jindal	4 (4)	Absent
Mr. Sameer Nagpal	4 (4)	Attended
Mr. Aditya Vikram Lodha	1 (4)	Absent
Mr. Pujit Aggarwal	2 (4)	Absent
Ms. Pushpa Chowdhary	4 (4)	Absent
Dr. Raghavachari Srinivasan ⁽¹⁾	1 (2)	Absent
Mr. Rajeev Rajvanshi	4 (4)	Attended

(1) Dr. Raghavachari Srinivasan ceased to be a Director w.e.f. 26th September, 2014.

Board's Report (Contd.)

Independent Directors

During the financial year 2014-15, in compliance with the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under Mr. Aditya Vikram Lodha, Mr. Pujit Ravikiran Aggarwal, Mr. Rajiv Rajvanshi and Ms. Pushpa Chowdhary were appointed as Independent Directors on the Board of Directors of the Company at the 112th Annual General Meeting of the Company held on 26th September, 2014 to hold office for a term of 5 (five) consecutive years with effect from the date of the said Annual General Meeting.

The Independent Directors have submitted declarations that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Agreement; a statement in this regard forms part of the Board's Report. The Company has issued letter of appointment to all Independent Directors. The terms and conditions of their appointment are available on the Company's website at www.shalimarpaints.com.

In compliance with the provisions of Schedule IV of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Independent Directors of the Company met separately on without the presence of any Non-Independent Director and members of the Management.

Board Procedures

The Board Meetings are held within forty-five days of end of each quarter (other than the last quarter) and within sixty days of the end of the financial year in the manner that it coincides with the announcement of quarterly and financial results. In addition to the above, in case of urgent necessity additional Board Meetings are called. The Board Meetings are governed by structured agenda. The agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. Presentations are made by the management on the Company's operations and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions promptly.

The Board has complete access to the relevant information of the Company and to all the employees of the Company. The details of information as per provisions of Clause 49 (III)(D)(1) are shared on a regular basis with the Board along with other specific information.

Code of Conduct

The Company has adopted the Code of Conduct for the members of the Board and Senior Management Personnel of the Company. The Code is available on the Company's website www.shalimarpaints.com.

A declaration signed by Mr. Surender Kumar, Whole-time Director and COO & CFO of the Company, pursuant to Clause 49(II)(E)(2) of the Listing Agreement, regarding receipt of affirmation from all the members of the Board and Senior Management Personnel regarding compliance with Code of Conduct of the Company during the year under review is attached.

Familiarisation Program

The Company has a well-structured familiarisation, induction and training program for the new appointees on the Board. The Company through such programs provides them with an opportunity to familiarise with the Company, its management, its operations, the business model of the Company, the industry in which the Company operates, their roles, rights and responsibilities in the Company. They are also informed about the policies of the Company including the Code of Conduct for the Board Members and Senior Management Personnel and the Code of Conduct to regulate, monitor and reporting of trading by insiders etc.

The Directors are given periodic presentation in the Board and Committee meetings in order to provide details on the business and performance updates, Company's strategy and operating plans, product offerings, finance and risk management system etc.

The detailed familiarisation program for Independent Directors is available on the Company's website www.shalimarpaints.com.

3. Audit Committee

The Company's Board has a qualified and Independent Audit Committee. The Committee was reconstituted on 30th May, 2014. As on 31st March, 2015, the Committee comprised of four Non-Executive Independent Directors, under the Chairmanship of Mr. Rajiv Rajvanshi. The Composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company Secretary acts as the Secretary of the Committee. The Chairman of the Committee was present at the last Annual General Meeting (AGM) held on 26th September, 2014.

The Committee met four times during the year under review, i.e., on 30th May, 2014, 29th July, 2014, 11th November, 2014 and 3rd February, 2015. The attendance of the members of the Committee is given below:-

Name of the Member	Category	No. of Meetings attended (total held during the tenure)
Mr. Rajiv Rajvanshi (Chairman) ⁽¹⁾	Independent Director	4 (4)
Mr. Aditya Vikram Lodha	Independent Director	1 (4)
Mr. Pujit Aggarwal	Independent Director	2 (4)
Ms. Pushpa Chowdhary ⁽²⁾	Independent Director	3 (3)
Dr. Raghavachari Srinivasan ⁽³⁾	Independent Director	1 (1)

(1) Appointed as the Chairman of the Committee by the Board on 30th May, 2014

(2) Appointed as the member of the Committee by the Board on 30th May, 2014

(3) Ceased to be the Chairman and Member of the Committee pursuant to the reconstitution of the Committee by the Board on 30th May, 2014

The terms of reference of the Audit Committee of the Company are in accordance with Clause 49(III)(D) and (E) of the Listing Agreement and Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee

The Board of Directors of the Company re-named and re-constituted the existing Remuneration Committee as 'Nomination and Remuneration Committee', with effect from 30th May, 2014. As on 31st March, 2015, the Committee comprised of three Non-Executive Independent Directors. The composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Company Secretary acts as the Secretary of the Committee. The Chairman of the Committee was present at the last AGM held on 26th September, 2014.

The Committee met three times during the year under review, i.e., on 30th May, 2014, 29th July, 2014 and 11th November, 2014. The attendance of the members of the Committee is given below:

Name of the Member	Category	No. of Meetings attended (total held during the tenure)
Mr. Rajiv Rajvanshi (Chairman) ⁽¹⁾	Independent Director	3 (3)
Mr. Aditya Vikram Lodha	Independent Director	1 (3)
Ms. Pushpa Chowdhary ⁽²⁾	Independent Director	2 (2)
Dr. Raghavachari Srinivasan ⁽³⁾	Independent Director	1 (1)

(1) Appointed as the Chairman of the Committee by the Board on 30th May, 2014

(2) Appointed as the member of the Committee by the Board on 30th May, 2014

(3) Ceased to be the Chairman and Member of the Committee pursuant to the reconstitution of the Committee by the Board on 30th May, 2014

The terms of reference of the Nomination and Remuneration Committee of the Company are in accordance with Clause 49(IV)(B) of the Listing Agreement and Section 178 of the Companies Act, 2013.

In accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Committee has been entrusted with the power and responsibilities to administer and monitor the ESOP Scheme, formulating the various terms and conditions under the scheme, decide on future grants, allot shares upon exercise of options and to do all such acts relating to stock options.

Board's Report (Contd.)

Nomination and Remuneration Policy

In compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has approved and adopted the Nomination and Remuneration Policy.

The Nomination and Remuneration Policy of the Company is posted on the Company's website link at: http://www.shalimarpaints.com/upload/investor_reports/Nomination%20and%20Remuneration%20Policy.pdf forms part this report.

Details of the Remuneration to Directors during the Financial Year 2014-15

All the non-executive Directors are being paid sitting fees for attending meetings of the Board and Committees thereof. During the year under review there was an increase in the sitting fee from Rs. 10,000/- to Rs. 20,000/- for attending each Board Meeting and the sitting fee for attending Committee meeting remained unchanged at Rs. 10,000/- for each Committee meeting. The Executive Director is being paid remuneration as approved by the Shareholders of the Company and subject to the approval of the Central Government.

The details of sitting fees paid to the non-executive directors during the financial year 2014-15 are given below:-

Name of Director	Sitting Fees (₹)
Mr. Girish Jhunjhnuwala	30,000
Mr. Ratan Jindal	60,000
Mr. Aditya Vikram Lodha	40,000
Mr. Pujit Aggarwal	40,000
Ms. Pushpa Chowdhary	1,10,000
Dr. Raghavachari Srinivasan	30,000
Mr. Rajeev Rajvanshi	1,30,000

The details of remuneration paid to Mr. Sameer Nagpal, Managing Director and CEO during the year under review and other relevant disclosures are given below:

(Figures in ₹)

Name	Salary	Other Allowances	Contribution to PF and Other funds	Total	Period of Agreement	Notice Period
Mr. Sameer Nagpal	33,00,000	71,45,266	3,96,000	1,08,41,266	Three years with effect from 25th May, 2013	Three months notice by either party

Note:

- Mr. Sameer Nagpal has resigned from the Company w.e.f. 30th May, 2015.
- Mr. Nagpal was granted 2,80,000 ESOPs, pursuant to the Company's 'ESOP Scheme 2013' of which 14,000 ESOPs have been vested. He has since been allotted 14,000 equity shares on 3rd July, 2015, on exercise of his grant @ Rs.43.80 per equity share. Upon his resignation, he ceased to be entitled for remaining options granted to him.

5. Stakeholders Relationship Committee

During the period under review, the nomenclature of the Shareholders' Grievance Committee was changed to "Stakeholders Relationship Committee" pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The Stakeholders Relationship Committee of the Board of Directors of the Company is comprised of Mr. Girish Jhunjhnuwala and Mr. Aditya Vikram Lodha under the Chairmanship of Mr. Aditya Vikram Lodha. Mr. Punit Kumar Chellaramani, Company Secretary of the Company was designated as Compliance Officer till the date of his resignation w.e.f. 15th November, 2014. Ms. Bernadette Dominic, Company Secretary, has been designated as Compliance Officer w.e.f. 30th May, 2015.

Board's Report (Contd.)

The details of the complaints, excluding correspondences which are not in the nature of complaints, are given below:-

No. of complaints pending as on 1st April, 2014	Nil
No. of complaints received during the year	8
No. of complaints redressed during the year	8
No. of complaints pending as on 31st March, 2015	Nil

The Committee looks into redressal of complaints received from shareholders. It is the policy of the Company to promptly attend to and resolve the complaints received from the shareholders.

The Board of Directors of the Company has delegated the power of transfer and transmission of shares to the Registrar and Share Transfer Agents of the Company who are attending these transfer formalities fortnightly, under the overall supervision of the Company's Secretarial Department.

6. Corporate Social Responsibility (CSR) Committee

In compliance with the requirements of Section 135 of the Companies Act, 2013, the Company has constituted the Corporate Social Responsibility Committee. The Company has framed a Corporate Social Responsibility Policy, the purpose of which is to articulate what Corporate Social Responsibility (CSR) means to the Company, kind of projects to be undertaken, identifying broad areas of intervention, approach to be adopted to achieve the CSR goals and monitoring mechanism. The framework enables to put in place, policies and practices in line with this Policy. The CSR Policy is an attempt to showcase the linkage of the Company's social objectives with business strategy.

As on 31st March, 2015, the Committee comprised of three members namely Mr. Sameer Nagpal, Mr. Rajiv Rajvanshi and Ms. Pushpa Chowdhary under the Chairmanship of Mr. Sameer Nagpal.

The Company's Corporate Social Responsibility Policy is available on the Company's website at www.shalimarpaints.com.

The Annual Report on CSR activities in accordance with the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as '**Annexure - E**' to the Board's Report.

7. Subsidiary Companies

The Company has two unlisted subsidiary companies, which are not material as per the Clause 49(V)(E) of the Listing Agreement. The Audit Committee of the Company reviews the financial statements of these Subsidiaries.

The Company's Policy on Material Subsidiaries is available on the Company's website at www.shalimarpaints.com.

8. CEO/CFO Certification

As required under Clause 49(IX) of the Listing Agreement, Mr. Surender Kumar, Whole-time Director and COO & CFO of the Company has certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.

9. General Body Meetings

The details of the last three Annual General Meetings are given below:-

For the Financial year	Date of AGM	Time	Venue	No. of Special Resolutions
2013-14	26.09.2014	12.00 Noon	The Lake Land Country Club, Kona Expressway, P.O. Munshidanga, P.S. Domjur, Howrah 11403	4
2012-13	06.08.2013	11.00 A.M.	Goaberia, P.O. Danesh Shaikh Lane, Howrah - 711 109	4
2011-12	18.07.2012	11.00 A.M.	Goaberia, P.O. Danesh Shaikh Lane, Howrah - 711 109	None

At the above mentioned meetings, all the Resolutions were passed on show of hands. During the year under review, there was no such business which required passing of resolution through postal ballot.

Board's Report (Contd.)

10. Disclosure

There were no materially significant related party transactions i.e. transactions of material nature made by the Company with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The requisite disclosure on 'Related Party Transactions' pursuant to Accounting Standard 18 has been given in Note No. 2.39 of Notes to the Accounts. The Company has adopted a Policy on Related Party Transaction which is posted on the Company's website at www.shalimarpaints.com.

No strictures or penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital market during the last three years.

The Company has established a Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides adequate safeguards against victimization of whistle blower who avails of the mechanism and it also provides direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been uploaded on the Company's website at www.shalimarpaints.com. During the year under report, there has been no incidence reported under Vigil Mechanism and no personnel has been denied access to the audit committee.

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also adopted non-mandatory requirement viz. the Company has moved towards a regime of unqualified financial statements.

11. Management Discussion and Analysis

Industry Structure and Development

The Indian Paint Industry which stands at estimated ₹40,000 crores is broadly divided into two segments decorative and industrial. The decorative segment contributes approximately 73% whereas industrial segment contributes remaining 27%. The organised players of the industry cater to almost 65% of overall demand, the unorganized players of the industry take care of the remaining 35% by value.

The decorative paint market is segmented into high and medium end acrylic exterior and interior emulsions and enamel paints, low end distempers, wall putty, primers, cement paints, and wood coatings. They can also be broadly categorised into water and solvent based paints. The rural sector in India has a major share of decorative paints segment. Thus any benefit to the rural sector for improving the dispensable income is directly co-related to the growth of the paint industry.

Similarly, industrial paint market is further segmented into high performance coating, powder coating, coil coating and automotive coating.

Industry Outlook

The Indian Paint Industry has been sluggish in the past few years. However, it is likely to surge from the current level of about ₹ 40,000 crores to about ₹ 62,000 crores by 2018 witnessing a breakthrough double-digit compounded annual growth rate (CAGR) of 12-13%.

The rural market has grown at a rate of around 20% a year in fiscal year 2014. Hence, increase in sales outside metros is witnessing a handsome growth. Due to increased government funding for infrastructure, demand for paints both in industrial and decorative is set to rise, thereby rendering Indian paint industry to be poised for further growth. India is an emerging economy and with a rising GDP and the subsequent growth in industrial activities and infrastructural developments. Aided with increased Government spending on infrastructure in India, market is optimistic about its impact on the paint industry.

Opportunities and Threats

Paint Industry in India is driven by growth not only in construction activities but also in automotive industry. Media exposure and innovative marketing initiatives by the players have also added impetus to increasing awareness about latest trends prevalent in the sector. Due to increased Government funding for infrastructure, paint industry is poised for growth.

A further analysis of key drivers and challenges of the market indicate the factors for growth of the market including boom in real estate construction, growth in industrial sector, growth in automobile industry, increase in disposable income, increased government expenditure on infrastructure.

Your Company is poised to grow in the Decorative as well as Industrial segment. The Company is in the process of reinforcing its current production facilities and is simultaneously expanding its manufacturing base to new geographical locations. Many new products are ready for launch in the coming months.

Risk and Concerns

The paint sector in India is facing certain challenges. Factors like rising input prices and stringent environmental regulations pose a barrier for growth.

The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

Further, as the growth of Paint Industry is aligned with the growth of economy, any sluggish economic growth may adversely impact the business of the Company. Similarly, depreciating rupee may also impact the profitability of your company. However, recent softening of oil prices would reduce the raw material cost thereby boost up your company's financial performance.

Internal Control Systems

The internal control system is an integral part of the general organizational structure of the Company. The system is highly structured and totally in sync with the size and nature of its business. This process is aimed at pursuing the values of both procedural and substantial fairness, transparency and accountability. External audit firms are appointed at various locations of the Company to conduct regular audits. The internal control system is basically a set of rules, regulations, policies and procedures which run on softwares with in-built authorizations for enhanced control.

Financial Performance

The financial year 2014-15 had been a challenging year for us. The Company reported total revenue from operations & other income of ₹ 48564.47 lacs as against ₹ 54607.17 lacs during FY 2013-14. One of the factor affecting the company's performance was an unfortunate fire incident at our Howrah plant, leading to a loss in production capacity. The Company is consolidating its position and it will lead to improvement in its bottom-line. New products were launched in the decorative paint segment in the interior as well as exterior paint category. The industrial paint segment also saw the addition of new product categories.

Segment-wise or product wise performance

The Company offers an extensive range of Decorative and Industrial paint products for interior and exterior segments. The portfolio of the Company spans across product categories and price points catering to a wide variety of consumers. During the Financial Year 2014-15, the decorative segment recorded a gross sales of ₹ 360 crores and the industrial segment was at ₹ 155 crores.

The Company has started strengthening its presence in the consumer business to emerge as a strong contender in the Indian Paint Industry. During the year, the Company launched five products in the decorative segment to reinforce its business. The Company is now poised to focus on development of eco-friendly and water-based decorative products in the near future.

In the Industrial Products segment, the Company has introduced new product categories during the Financial Year 2014-15, key categories being single coat primer-cum-finish, epoxy based DTM coating, solvent free epoxy coating, bitumen coating for potable water application, surface tolerant (self-priming) anticorrosive coating, zinc silicate fast drying primer and coating system for LPG cylinders.

HR Initiatives

The company truly believes that employees are the most important asset in any organisation. Therefore, Shalimar provides a workplace where employees can fully demonstrate their skills and capabilities and thereby maximize their potential to the fullest.

The company's recruitment policy is to select applicants according to their capability, competence and relevant experience based on a fair recruitment process. Keeping this philosophy in mind, the talent pool of the organisation was enriched during the year in order to achieve the organisational goals. Induction process was revisited and strengthened besides a rigorous product training module for all new joinees.

At Shalimar, communication between management and employees is strongly encouraged as a means of sharing the company's Management Philosophy and policies. There are open platforms wherein two-way communication takes place with the management regarding the employees concerns and grievances. The company is committed to the comprehensive health management of its employees and a lot of initiatives were taken during the year to sensitize the employees towards their health and safety through the EHS scheme.

12. Means of Communication

The quarterly and annual results are generally being published in Financial Express in English language and in local Bengali newspaper and are also posted on the Company's website www.shalimarpaints.com.

The Company has not made any presentation to institutional investors or analysts during the year under review.

Board's Report (Contd.)

13. General Shareholder Information:

- a) As indicated in the Notice dated 20th July, 2015, the 113th Annual General Meeting of the Company will be held on Monday, 28th September, 2015 at 12:00 Noon at The Lake Land Country's Club, Kona Expressway, P.O.: Munshidanga, P.S. : Domjur, Howrah 711 403
- b) The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday 23rd September, 2015 to Monday 28th September, 2015 both days inclusive.
- c) Financial Calendar: The unaudited/audited financial results of the Company for the following quarters ending/year ending will be published on or before the dates mentioned against the respective period:
- For the Quarter ending 30th June, 2015 (Unaudited) : 20th July, 2015
 For the Quarter ending 30th September, 2015 (Unaudited) : 14th November, 2015
 For the Quarter ending 31st December, 2015 (Unaudited) : 14th February, 2016
 For the year ending 31st March, 2016 (Audited) : 30th May, 2016
- d) The Shares of the Company are listed with the following Stock Exchanges with the stock code mentioned there against:

	Stock Code
1. The Calcutta Stock Exchange Limited* 7, Lyons Range, Kolkata - 700 001	10029193
2. BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	509874
3. National Stock Exchange of India Ltd. Exchange Plaza, Badra Kurla Complex Bandra (E), Mumbai – 400 051	SHALPAINTS

The stock code (ISIN) for the Company's shares in demat segment is INE849C01026.

*The Company has since received a letter dated 2nd July, 2015 from the Calcutta Stock Exchange Limited (CSE), approving voluntarily delisting of the Company's shares from CSE with effect from 3rd July, 2015, as applied for by the Company vide its letter dated 30th May, 2014 under the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

- e) The monthly high and low quotations during the last financial year on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE) are given below :-

Month	BSE		NSE	
	High	Low	High	Low
April 2014	93.00	73.85	93.65	73.00
May 2014	101.70	79.00	102.00	80.00
June 2014	101.00	79.80	101.10	79.00
July 2014	104.40	85.30	104.40	85.25
August 2014	99.50	84.05	100.00	84.05
September 2014	174.45	90.85	174.40	92.20
October 2014	190.45	143.05	190.45	145.35
November 2014	171.75	143.10	171.85	143.10
December 2014	189.85	138.05	189.90	144.00
January 2015	172.90	152.00	173.90	152.10
February 2015	156.00	126.30	156.85	123.00
March 2015	169.00	128.60	169.90	128.55

So far as monthly high and low quotations on the Calcutta Stock Exchange Limited are concerned, there was no trading during the year under review.

Board's Report (Contd.)

- f) (i) Performance of the price of the Company's shares on BSE vis-à-vis BSE Sensex during the period under review, is given below:

Month	Company's Shares price		BSE Sensex	
	High	Low	High	Low
April 2014	93.00	73.85	22939.31	22197.51
May 2014	101.70	79.00	25375.63	22277.04
June 2014	101.00	79.80	25725.12	24270.02
July 2014	104.40	85.30	26300.17	24892.00
August 2014	99.50	84.05	26674.38	25232.82
September 2014	174.45	90.85	27354.99	26220.49
October 2014	190.45	143.05	27894.32	25910.77
November 2014	171.75	143.10	28822.37	27739.56
December 2014	189.85	138.05	28809.64	26469.42
January 2015	172.90	152.00	29844.16	26776.12
February 2015	156.00	126.30	29560.32	28044.49
March 2015	169.00	128.60	30024.74	27248.45

- (ii) Performance of the price of the Company's shares on NSE vis-à-vis NSE Nifty during the period under review is given below:-

Month	Company's Shares price		NSE Nifty	
	High	Low	High	Low
April 2014	93.65	73.00	6869.85	6650.40
May 2014	102.00	80.00	7563.50	6638.55
June 2014	101.10	79.00	7700.05	7239.50
July 2014	104.40	85.25	7840.95	7422.15
August 2014	100.00	84.05	7968.25	7540.10
September 2014	174.40	92.20	8180.20	7841.80
October 2014	190.45	145.35	8330.75	7723.85
November 2014	171.85	143.10	8617.00	8290.25
December 2014	189.90	144.00	8626.95	7961.35
January 2015	173.90	152.10	8996.60	8065.45
February 2015	156.85	123.00	8941.10	8470.50
March 2015	169.90	128.55	9119.20	8269.15

- g) MCS Share Transfer Agent Ltd. having its office at 12/1/5, Manoharpukur Road, Kolkata, West Bengal 700026, Phone Nos. 033-40724051 & 52, Fax.: 033-40724050 are the Registrar and Share Transfer Agents of the Company for both physical as well as demat segment.
- h) The share transfer work is being carried out by the Company's Registrar and Transfer Agent (RTA), who are also having connectivity with the depositories, viz., NSDL and CDSL. The power of approving the transfer of shares has been delegated to the RTA so that they can attend to the share transfer formalities on fortnightly basis.
- i) The distribution of shareholdings as on 31st March, 2015 is given below:-

	No. of Shareholders	Percentage	No. of Shares held	Percentage
Up to 500	7425	82.45	967166	5.11
501 to 1000	847	9.41	667491	3.53
1001 to 2000	367	4.08	553561	2.92
2001 to 3000	122	1.35	313551	1.66
3001 to 4000	53	0.59	186305	0.98
4001 to 5000	39	0.43	184177	0.97
5001 to 10000	64	0.71	465196	2.46
10001 to 50000	64	0.71	1341452	7.09
50001 to 100000	8	0.09	553655	2.92
100000 & above	16	0.18	13695546	72.36
Total	9005	100.00	18928100	100.00

Board's Report (Contd.)

j) Category of shareholders as on 31st March, 2015 are given below:

	No. of shares	Percentage
Promoters	11803150	62.36
Financial Institutions	338088	1.79
NRI/NRC/FIIs	710294	3.75
General	6076568	32.10
Total	18928100	100.00

k) Dematerialization of Shares and liquidity: As on 31st March, 2015, 97.41% of Equity shares are in dematerialized form.

l) The Company's plants are located at the following places:

- P.O. Danesh Shaikh Lane, Goabaria, Howrah, West Bengal (Operations suspended due to fire accident in the month of March, 2014)
- Village: Gonde Dumala, Tehsil: Igatpuri, Nasik and
- No.A-1 and A-2 Sikandrabad Industrial Area, Sikandrabad, Dist. Bulandsahar, Uttar Pradesh.

m) Address for Correspondence: Secretarial Department, Shalimar Paints Limited, Plot No 64, Sector, 44, Gurgaon, Haryana 122001

n) E-Mail ID of the Grievance Redressal Division/Compliance Officer exclusively for the purpose of registering complaints by the Investors: hwhsec@shalimarpaints.com

For and on behalf of the Board

Date: 20th July, 2015
Place: New Delhi

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137

Rajiv Rajvanshi
Director
DIN: 00036605

DECLARATION (Pursuant to Clause 49 I (D) (ii) of the Listing Agreement)

I, Surender Kumar, Whole-time Director and COO & CFO of the Company, do hereby declare that all the Board members and senior management personnel of the Company affirmed compliance with the code of conduct, adopted by the Company, for the Board of Directors and Senior Management of the Company.

Place: New Delhi
Date: 30th May, 2015

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137

Compliance Certificate on Corporate Governance (Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)

**To the Shareholders of
SHALIMAR PAINTS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Shalimar Paints Limited, for the year ended on 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 responsibility of the Management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. 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 explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

Place: New Delhi
Date: 16th July, 2015

Shipra Chattree
Practicing Company Secretary
Certificate of Practice No. 13539

Independent Auditors' Report

To The Members of Shalimar Paints Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shalimar Paints Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.

Independent Auditors' Report (Contd.)

2. As required by Section 143 (3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e) on the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) the Company has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 2.28 to the financial statements;
 - ii) The Company did not have any long term contracts including derivation contracts for which there are any material foreseeable losses.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Reg No-307068E

Anup Kumar Dubey
Partner
Membership No: 054975

Place: New Delhi
Dated: 30th May , 2015

Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report "Report on Other Legal and Regulatory Requirements" to the members of **Shalimar Paints Limited** (the Company) on the standalone financial statements for the year ended 31 March 2015, we report that:

- (i) (a) There has been fire during previous year in the Howrah factory of the Company resulting in damage to its fixed assets comprising Building and Plant & Machineries. The fixed assets register was also destroyed in fire. The Company has commenced the reconstruction of fixed assets register showing full particulars, including quantitative details and situation of fixed assets. Hence, we are unable to comment on para 3(i)(a) of the 'Order'.
- (b) Except damaged fixed assets above, other fixed assets of the Company have been verified periodically by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Since the complete fixed assets register could not be made available to us for the reason stated in 1(a) above, we are unable to comment on para 3(1) (b) of the 'Order' - whether any material discrepancies on physical verification existed as compared to fixed assets register.
- (ii) (a) The inventories (except damaged due to fire in previous year) have been physically verified by the management at regular intervals during the year.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
- (iii) The Company is to receive balance consideration money of Rs 499.16 lacs [Note 2.13(iii)] from its subsidiary, Shalimar Adhunik Nirman Limited, for transfer of its assets & expenses incurred on behalf of the said subsidiary. The said due amount is not interest bearing and shown as loan & advances to related party. There is no stipulation as regard repayment schedule, and such loans & advances, as informed, are repayable on demand. Except this, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, paragraph 3 (iii) (a) & (b) of the Order, are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public; and hence, para 3(v) of the Order is not applicable.
- (vi) The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, Employees' State Insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

Annexure to the Auditors' Report (Contd.)

- (b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax or cess which have not been deposited with the appropriate authorities on account of any dispute, except the following disputed statutory dues aggregating ₹ 917.70 lacs.

Sl No.	Name of the statute	Nature of dues	Forum where dispute is pending	Amount (₹ in lacs)
01.	Central Excise Act, 1944	Excise Duty	Various Assessing, Appellate & Tribunal Authorities	293.71
02.	Sales Tax Act	Sales Tax	Various Assessing, Appellate, Tribunal & Revision Board Authorities	576.04
03.	Income Tax Act, 1961	Income Tax	Various Assessing, Appellate, Tribunal Authorities	47.95
TOTAL:				917.70

- (c) According to the information and explanations given to us, the amount which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules thereunder, has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year, and has incurred cash losses in the financial year; however, in the immediately preceding financial year, there were no cash loss.
- (ix) As per the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions and banks.
- (x) According to the information and the explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) The Company has availed term loans, and the same were applied for intended purposes.
- (xii) Based on the audit procedures performed for reporting on the true & fair view of the financial statements, and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year under audit.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Reg No-307068E

Anup Kumar Dubey
Partner
Membership No: 054975

Place: New Delhi
Dated: 30th May, 2015

Standalone Balance Sheet

as at March 31, 2015

		(₹ in Lacs)	
	Note No.	March 31, 2015	March 31, 2014
I. EQUITY AND LIABILITIES			
1. Shareholders' fund			
(a) Share Capital	2.1	378.57	378.57
(b) Reserve and Surplus	2.2	5,782.28	6,951.63
		<u>6,160.85</u>	<u>7,330.20</u>
2. Non-Current Liabilities			
(a) Long Term Borrowings	2.3	1,842.69	1,344.68
(b) Deferred Tax Liabilities (Net)	2.4	-	177.47
(c) Other Long Term Liabilities	2.5	28.20	33.70
(d) Long Term Provisions	2.6	747.30	778.31
		<u>2,618.19</u>	<u>2,334.16</u>
3. Current Liabilities			
(a) Short Term Borrowings	2.7	11,136.35	9,649.70
(b) Trade Payables	2.8	15,770.27	16,185.72
(c) Other Current Liabilities	2.9	2,156.05	2,618.51
(d) Short Term Provision	2.10	6.07	10.43
		<u>29,068.74</u>	<u>28,464.36</u>
Total		<u>37,847.78</u>	<u>38,128.72</u>
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		6,766.17	2,946.62
(ii) Intangible Assets		287.95	190.25
(iii) Capital Work-in-Progress		76.61	1,763.60
(b) Non Current Investment	2.12	84.73	84.73
(c) Deferred Tax Assets (Net)	2.4	248.93	-
(d) Long Term Loans and Advances	2.13	718.98	681.57
		<u>8,183.37</u>	<u>5,666.77</u>
2. Current Assets			
(a) Inventories	2.14	10,597.90	12,135.26
(b) Trade Receivable	2.15	15,010.91	15,966.83
(c) Cash and Cash Equivalents	2.16	93.33	446.29
(d) Short Term Loans and Advances	2.17	912.09	834.94
(e) Other Current Assets	2.18	3,050.18	3,078.63
		<u>29,664.41</u>	<u>32,461.95</u>
Total		<u>37,847.78</u>	<u>38,128.72</u>

Significant Accounting Policies and Notes on Accounts 1 & 2

Notes referred to above form an integral part of the Accounts.

This is the Balance Sheet referred to in our report of even date.

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)
New Delhi
May 30, 2015

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Rajiv Rajvanshi
Director
DIN: 00036605

Bernadette Dominic
Company Secretary
Mem No. A31629

Standalone Statement of Profit and Loss

For the year ended March 31, 2015

Particulars	Note No.	2014-15	2013-14
(₹ in Lacs)			
I. Revenue from Operations	2.19	48,324.82	53,958.89
Less : Excise Duty		4,997.90	5,677.00
		43,326.92	48,281.89
II. Other Income	2.20	239.65	648.28
III. Total Revenue (I + II)		43,566.57	48,930.17
IV. Expenses:			
Cost of materials consumed	2.21	26,783.53	31,591.30
Purchases of Stock-in-trade	2.22	3,170.77	3,624.06
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.23	758.03	(45.81)
Employee benefits expense	2.24	3,669.79	3,821.42
Finance Costs	2.25	2,065.18	2,097.48
Depreciation and amortization expense	2.11	475.76	367.71
Other expense	2.26	8,128.27	7,834.03
Total Expenses		45,051.33	49,290.19
V. (Loss) / Profit before exceptional and extraordinary items and tax (III-IV)		(1,484.76)	(360.02)
VI. Exceptional Items		-	-
VII. (Loss) / Profit before extraordinary items and tax (V - VI)		(1,484.76)	(360.02)
VIII. Extraordinary items		-	-
IX. (Loss) / Profit before tax (VII - VIII)		(1,484.76)	(360.02)
X. Tax expense :			
(1) Current Tax		-	-
(2) Deferred Tax		(426.36)	(80.51)
		(426.36)	(80.51)
XI. Profit/(Loss) for the period (IX+ X)		(1,058.40)	(279.51)
XII. Earnings per equity share :			
Basic		(5.59)	(1.47)
Diluted		(5.53)	(1.47)

Significant Accounting Policies and Notes on Accounts 1&2

Notes referred to above form an integral part of the Accounts.

This is the Statement of Profit & Loss referred to in our report of even date.

For CHATURVEDI & PARTNERS

Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)

New Delhi
May 30, 2015

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137

Rajiv Rajvanshi
Director
DIN: 00036605

Bernadette Dominic
Company Secretary
Mem No. A31629

Standalone Cash Flow Statement

for year ended March 31, 2015

	(₹ in Lacs)	
	2014-15	2013-14
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit / (Loss) before Tax and Extraordinary items	(1,484.76)	(360.02)
Adjusted for :		
Depreciation	475.76	367.71
Interest/Other Income	(112.59)	(73.07)
Bad debts	15.34	375.42
Interest Expenses	2,065.18	2,097.48
Transfer from Revaluation Reserve	(0.00)	(1.09)
Loss / (Profit) on sale of Fixed Assets	(127.06)	(575.21)
Operating Profit before Working Capital Changes	831.87	1,831.22
Adjusted for:		
Trade and Other Receivables	605.54	(3,031.64)
Inventories	1,537.36	1,061.28
Trade Payables & Other Liabilities	391.07	1,247.59
Direct Taxes paid (net of refund)	426.36	(71.41)
Cash Generated from Operating Activities	3,792.20	1,037.04
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,830.57)	(1,366.56)
Sale of Fixed Assets	140.00	649.00
Purchase of Investment (In Subsidiary Company)	-	(4.00)
Interest /Other Income Received	112.59	73.07
Net Cash used in Investing Activity	(2,577.98)	(648.49)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from Borrowings	498.00	639.38
Interest Paid	(2,065.18)	(2,097.48)
Net Cash used in Financing Activities	(1,567.18)	(1,458.10)
Net Increase / (Decrease) in Cash and bank balances (A+B+C)	(352.96)	(1,069.55)
Opening Balance of Cash and bank balances	446.29	1,515.84
Closing Balance of Cash and bank balances	93.33	446.29

This is the Cash Flow Statement referred to in our report of even date.

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)
A. K. Dubey
Partner
(Mem. No. 054975)
New Delhi
May 30, 2015

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Rajiv Rajvanshi
Director
DIN: 00036605

Bernadette Dominic
Company Secretary
Mem No. A31629

Notes to Standalone Financial Statements

1. ACCOUNTING POLICIES

1.1 GENERAL

The financial statements have been prepared on accrual basis, except otherwise stated, and under the historical cost convention except revalued fixed assets in accordance with the applicable accounting standards specified by the Institute of Chartered Accountants of India and relevant provisions of Companies Act, 2013 (Previous year Companies Act, 1956).

1.2 FIXED ASSETS

Fixed Assets are stated at cost, net of cenvat. The cost comprises the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

In case of revaluation of Fixed Assets, the cost / book value as written up by the approved valuer is considered in the books of accounts and the differential amount is transferred to Fixed Asset Revaluation Reserve.

Cash generating assets are assessed for possible impairment at balance sheet dates based on external and internal sources of information. Impairment losses, if any, are recognized as an expense in the Statement of Profit and Loss.

1.3 LEASE ACCOUNTING

The Company provides tinting systems to dealers on an operating lease basis. Lease rentals are accounted in accordance with the respective lease agreements.

1.4 DEPRECIATION

Depreciation on fixed assets in previous year is provided at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 and in respect of current year it is provided at the rates and in the manner specified in Schedule II of the Companies Act, 2013 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal:

- a) In respect of assets located at Nashik, Sikandrabad and Chennai Plant - on straight line method.
- b) In respect of other assets - on written down value method.

Depreciation on amount added on revaluation in previous year is recouped from Fixed Assets Revaluation Reserve and Depreciation on revalued assets in current year is charged in the statement of Profit and Loss Account.

1.5 INVESTMENTS

Investments, being long term in nature are stated at cost, less any diminution in value other than temporary.

1.6 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the equivalent rupee value incurred/earned. Foreign currency assets and liabilities at the year-end are realigned at the applicable exchange rate and variations are adjusted to the revenue or capital heads.

1.7 INVENTORY

- a) Raw materials including materials in transit, stores & spare parts and loose tools are valued at lower of cost or net realisable value.
- b) Stock in trade, finished goods and work-in-process are valued at lower of cost or net realisable value.
- c) The cost which is arrived at following weighted average basis, comprises all direct costs including taxes and duties net of cenvat credits, transportation and other costs incurred in bringing the inventories to the present location and conditions.
- d) The obsolete/damaged items of inventories are valued at estimated realisable value.

Notes to Standalone Financial Statements (Contd.)

ACCOUNTING POLICIES (Contd.)

1.8 SALES

The amount recognised as sale is exclusive of VAT and are net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross sales. The excise duty related to difference between the closing stock and opening stock is recognised separately as part of 'material cost'.

1.9 RETIREMENT BENEFITS TO EMPLOYEES

(i) The Company operates defined contributions schemes.

The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized in the Statement of Profit & Loss on an accrual basis.

(ii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.

(iii) For Schemes where recognized funds have been set up, annual contributions are made as determined as per the actuarial valuation report. Actuarial gains & losses are recognized in the Statement of Profit & Loss. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

(iv) Provision is made for leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Statement of Profit and Loss.

1.10 BORROWING COST

Borrowing Costs attributable to acquisition and construction of assets are capitalized as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

1.11 TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.12 VOLUNTARY RETIREMENT SCHEME

Payments made under the Voluntary Retirement Scheme (VRS) including gratuity arising pursuant to the VRS are amortized over a period of five years commencing from the year in which it is incurred.

1.13 EMPLOYEE STOCK OPTION SCHEME

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight line basis over the vesting period.

1.14 CONTINGENT LIABILITIES

Liabilities which are material in the opinion of the Company and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the Accounts.

Notes to Standalone Financial Statements (Contd.)

2. NOTES TO ACCOUNTS

		(₹ in Lacs)	
		March 31, 2015	March 31, 2014
2.1 Share Capital			
(i) Authorised Capital			
	4,00,00,000 Equity Shares of ₹ 2/- each (4,00,00,000 Equity Shares of ₹ 2/- each)	800.00	800.00
(ii) Issued, Subscribed and Fully Paid-up			
	1,89,28,100 Equity Shares of ₹ 2/- each (1,89,28,100 Equity Shares of ₹ 2/- each)	378.56	378.56
(iii) Share Forfeiture Account		0.01	0.01
		378.57	378.57

(iv) Reconciliation of Number of Shares and share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares vis-à-vis amount at the beginning	18,928,100	378.56	18,928,100	378.56
Add: Shares issued	-	-	-	-
Number of shares vis-à-vis amount at the end	18,928,100	378.56	18,928,100	378.56

(v) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of Rs 2 each . Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(vi) Detail of number of shares held by each shareholder holding more than 5% of the issued share capital.

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% held	No. of Shares	% held
Hind Strategic Investments	5,841,570	30.86	5,841,570	30.86
Hexa Securities and Finance Co. Ltd.	1,500,000	7.92	1,500,000	7.92
Nalwa Sons Investments Ltd (formerly Jindal Strips Limited)	1,372,590	7.25	1,372,590	7.25
Colorado Trading Company Limited	1,224,635	6.47	1,224,635	6.47
Nalwa Investments Limited	1,193,855	6.31	1,193,855	6.31

Notes to Standalone Financial Statements (Contd.)

	March 31, 2015	(₹ in Lacs) March 31, 2014
2.2 Reserve and Surplus		
Reserve and Surplus consist of following reserves :		
(i) Capital Reserve		
Opening Balance	32.24	32.24
Addition during the year (net)	-	-
	<u>32.24</u>	<u>32.24</u>
(ii) Restricted stock units reserve		
Employee Stock Options Outstanding	110.12	-
Addition during the year (net)	0.66	110.12
	<u>110.78</u>	<u>110.12</u>
(iii) Securities Premium Account		
Opening Balance	949.27	949.27
Addition during the year (net)	-	-
	<u>949.27</u>	<u>949.27</u>
(iv) Fixed Asset Revaluation Reserve		
Opening Balance	280.72	281.81
Less: Depreciation on revalued assets over historical Cost	(0.00)	(1.09)
	<u>280.72</u>	<u>280.72</u>
(v) General Reserve		
Opening Balance	3,758.51	3,758.51
	<u>3,758.51</u>	<u>3,758.51</u>
(vii) Surplus in the Statement of Profit and loss		
Opening Balance	1,820.77	2,100.28
Add: Profit / (Loss) for the year	(1,058.40)	(279.51)
Less: Prior period adjustment- Depreciation	(111.61)	-
	<u>650.76</u>	<u>1,820.77</u>
Less : Appropriations		
General Reserve	-	-
Proposed Dividend	-	-
Provision for Tax on Dividend	-	-
	<u>650.76</u>	<u>1,820.77</u>
	<u>5,782.28</u>	<u>6,951.63</u>
2.3 Long Term Borrowings		
Secured		
Term Loans		
(i) From Bank		
(a) Vehicle loan		
(10.25 % HDFC loan secured by hypothecation of vehicle repayable in 36 monthly Installment)	-	1.62
(b) Term Loan - South Project*	1,842.69	1,343.06
	<u>1,842.69</u>	<u>1,344.68</u>
*Additional information in respect of Term Loan South Project:		
11.95%, HDFC Term Loan repayable in 45 monthly installment	677.71	377.10
12 %, SBI Term Loan repayable in 28 monthly installment	1,164.98	965.96
	<u>1,842.69</u>	<u>1,343.06</u>

[Secured by (i) first charge , ranking pari passu , by way of an equitable mortgage on the land and building , and hypothecation of other fixed assets thereon , at the Company's factory at Nasik, Maharashtra (ii) first charge , ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, ranking pari passu , on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliur , Taluka-Gummidipoondi, District - Thiruvallur, Tamil Nadu ; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.]

Notes to Standalone Financial Statements (Contd.)

	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
2.4 Deferred Tax Liabilities (net)		
(i) Deferred Tax Assets	(597.17)	(166.85)
Expenses allowable on payment basis		
(ii) Deferred Tax Liabilities	348.24	344.32
Depreciation and related items (note 2.37)		
	<u>(248.93)</u>	<u>177.47</u>
2.5 Other Long Term Liabilities		
Trade Deposit	28.20	33.70
	<u>28.20</u>	<u>33.70</u>
2.6 Long Term Provisions		
Provision for Employees' Benefits (note 2.42)	447.30	478.31
Others	300.00	300.00
	<u>747.30</u>	<u>778.31</u>
2.7 Short Term Borrowings		
Secured		
(i) Loans repayable on demand	11,136.35	9,649.70
From Bank (Cash credit and WCDL)		
Secured by (i) first charge, ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik, Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) second charge, ranking pari passu, (a) on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village -Chinnapuliyur, Taluka-Gummidipoondi, District-Thiruvallur, Tamil Nadu; and hypothecation of plant and machinery to be purchased out of term loan.		
	<u>11,136.35</u>	<u>9,649.70</u>

Notes to Standalone Financial Statements (Contd.)

	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
2.8 Trade Payables		
(i) Acceptances	2,591.19	1,119.94
(ii) Sundry Creditors		
a) Sundry creditors for bill discounting (note 2.27)	2,990.52	5,860.82
b) Others	10,188.56	9,204.96
	<u>15,770.27</u>	<u>16,185.72</u>
2.9 Other Current Liabilities		
(i) Current Maturity of Long-term debts	1.62	1.46
(ii) Unpaid Dividend	15.01	18.18
(iii) Other Payables		
Employee's remuneration	350.78	317.54
Statutory Payment	692.62	632.95
Discount and Rebate	348.93	573.73
Others (Operating Expenses)	747.09	1,074.65
	<u>2,156.05</u>	<u>2,618.51</u>
2.10 Short Term Provisions		
Others		
(i) Provision for Income tax (net)	-	-
(ii) Proposed Dividend	-	-
(iii) Tax on Proposed Dividend	-	-
(vi) Provision for Employee Benefits	6.07	10.43
	<u>6.07</u>	<u>10.43</u>

Notes to Standalone Financial Statements (Contd.)

2.11 Fixed Assets

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additions	Deletion/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the year	Deletion/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
I. Tangible Assets										
Land	518.14	-	-	518.14	-	-	-	-	518.14	518.14
Building	1,557.66	3,280.80	(85.31)	4,923.77	740.12	80.33	(52.44)	872.89	4,050.88	817.54
Plant & Machinery	2,015.53	837.73	32.23	2,821.03	1,628.59	94.96	41.81	1,681.74	1,139.29	386.94
Leased Equipment	1,865.79	77.12	2.51	1,940.40	988.59	189.46	-	1,178.05	762.35	877.20
Furniture and Fixture	393.59	78.27	-	471.86	193.42	82.77	-	276.19	195.67	200.17
Office Equipment	902.06	29.62	-	931.68	781.51	68.00	-	849.51	82.17	120.55
Motor Vehicles	113.41	-	-	113.41	87.33	8.41	-	95.74	17.67	26.08
TOTAL (A)	7,366.18	4,303.54	(50.57)	11,720.29	4,419.56	523.93	(10.63)	4,954.12	6,766.17	2,946.62
Previous Year	7,579.61	359.95	573.38	7,366.18	4,512.09	325.33	417.86	4,419.56	2,946.62	
II. Intangible Assets										
Computer software	610.71	91.87	-	702.58	526.29	33.38	-	559.67	142.91	84.42
Trade Mark	93.41	-	-	93.41	-	25.22	-	25.22	68.19	93.41
Technical know how	62.72	69.28	-	132.00	50.30	4.85	-	55.15	76.85	12.42
Total (B)	766.84	161.15	-	927.99	576.59	63.45	-	640.04	287.95	190.25
Previous Year	653.47	113.37	-	766.84	533.11	43.48	-	576.59	190.25	
III. Capital Work-in-Progress										
Capital WIP	1,763.60	2,409.45	4,096.44	76.61	-	-	-	-	76.61	1,763.60
Total (C)	1,763.60	2,409.45	4,096.44	76.61	-	-	-	-	76.61	1,763.60
Previous Year		1,763.60		1,763.60					1,763.60	
Total (A+B+C)	9,896.62	6,874.14	4,045.87	12,724.89	4,996.15	587.38	(10.63)	5,594.16	7,130.73	4,900.47
Previous Year	8,233.08	2,236.92	573.38	9,896.62	5,045.20	368.81	417.86	4,996.15	4,900.47	-

Note: (i) Consequent to the fire incident at Howrah Factory in previous year, Fixed Asset Register, as a whole was destroyed. In the previous year, the loss of Fixed Assets due to fire were accounted for on estimation basis.
The Company is in the process of reconstructing. Fixed Assets register in the current year and the amount of loss of Fixed Assets due to fire has been reassessed. The difference between estimated and reassessed loss has been duly accounted for during the year by increasing the Gross Block & Depreciation by ₹ 110.62 Lacs & ₹ 53.18 Lacs, respectively, under the head adjustments.

(ii) Depreciation on revalued Fixed assets has been provided during the year on revalued amount and the same has been charged to statement of Profit & Loss. In the earlier years, depreciation on revalued assets over and above historical cost was being recouped from revaluation reserve. The aforesaid change in the method of charging depreciation is required by The Companies Act, 2013 and Guidance note on Schedule II of The Companies Act 2013 issued by Institute of Chartered Accountants of India. The financial impact of said change, is unascertainable due to change in method of depreciation & useful life of assets.

(iii) Depreciation for the year consists ₹ 111.62 Lacs adjusted with Retained Earnings/Surplus in Note No. 2.2(viii) & Balance ₹ 475.76 Lacs charged to Profit & Loss Account. Such adjustments is due to adoption of Schedule II of the Companies Act 2013 in relation to depreciation on fixed assets existed on 01.04.2014

2.12 Non Current Investments - Trade Investment, at cost

(i) Investment in Equity Instruments - Unquoted

Shalimar Adhunik Nirman Ltd. (Subsidiary Company)		
49990 Equity Shares of ₹ 10 each fully paid-up	5.00	5.00
450000 Equity Shares of ₹ 10 each (Partly paid-up @ ₹ 1 each)	4.50	4.50
Eastern Speciality Paints & Coatings Pvt Ltd (Subsidiary Company)		
50000 Equity Shares of ₹ 10 each fully paid-up	5.00	5.00

(ii) Investment in Preference Shares - Unquoted

Shalimar Adhunik Nirman Ltd. (Subsidiary Company)		
50000, 6% Preference Shares non convertible of ₹ 100 each (Fully paid up)	50.00	50.00

Other Investment

(iii) Investment in Debentures or Bonds - Unquoted

₹ 6,500 1/2% Woodland Medical Centre Ltd.		
₹ 17,000 5% Woodland Medical Centre Ltd.	0.06	0.06
	0.17	0.17

(iv) Investment in Mutual Funds - Quoted

UTI Infrastructure Fund - Growth		
UTI Advantage Fund - Growth Plan (now converted to UTI Infrastructure Fund - Growth) 200000 Units of ₹ 10 each	20.00	20.00
(Market value of 50925.374 Units @ NAV ₹ 44.07 as on 31.03.2015)		
	84.73	84.73

Aggregate amount of Unquoted Investments		
	64.73	64.73
Aggregate amount of Quoted Investments	20.00	20.00
Market Value of Quoted Investments	22.44	15.25

Notes to Standalone Financial Statements (Contd.)

	March 31, 2015	March 31, 2014
(₹ in Lacs)		
2.13 Long Terms Loans and Advances		
(Unsecured, considered good)		
(i) Security Deposit	219.82	182.41
(ii) Loan and advances to related parties Receivable from Subsidiary Companies (Shalimar Adhunik Nirman Limited)	499.16	499.16
	718.98	681.57
2.14 Inventories		
(at cost or net realisable value, whichever is lower)		
1) Raw Material		
(i) Raw Material	2,304.29	2,757.32
(ii) Raw Material in Transit	22.97	364.81
2) Work- in -Progress	232.81	241.78
3) Finished Goods		
(i) Finished Goods	7,228.63	8,411.92
(ii) Finished Goods in Transit	251.66	-
Stock- in- Trade	420.79	238.22
Stores & spares	136.75	121.21
	10,597.90	12,135.26
2.15 Trade receivables		
(Unsecured, considered good)		
(i) Outstanding for a period exceeding six months from due date	4,251.74	3,014.10
(ii) Others	10,759.17	12,952.73
	15,010.91	15,966.83
2.16 Cash and Bank Balances		
Cash & Cash Equivalents:		
(i) Balances with Bank (in current account)	58.98	62.19
(ii) Cheque, drafts on hand	-	352.75
(iii) Cash in hand	7.42	11.44
Other Bank Balances:		
(i) Unpaid Dividend Account	15.01	18.18
(ii) Fixed Deposit Account (for more than 12 months)	-	-
(iii) Margin Money	11.92	1.73
	93.33	446.29
2.17 Short term loans and advances - Unsecured, considered good		
(i) Others :		
Advances to suppliers	576.20	510.74
Advance to Employee	35.06	37.03
Advance Tax (Net of Provision for Tax)	300.83	287.17
	912.09	834.94
2.18 Other Current Assets		
(i) Prepaid Expenses	165.24	229.35
(ii) Short term deposit	342.45	327.78
(iii) Other Receivables	1,971.44	2,258.86
(iv) Balances with Revenue Authorities	571.05	262.64
	3,050.18	3,078.63

Notes to Standalone Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-15	2013-14
2.19 Revenue from Operations		
(i) Revenue from Sale of Products	51,909.04	57,350.42
(ii) Other Operating Revenue	220.69	403.42
	52,129.73	57,753.84
Less : Discounts	3,804.91	3,794.95
	48,324.82	53,958.89
Less : Excise duty	4,997.90	5,677.00
	43,326.92	48,281.89
2.20 Other Income		
(i) Interest	2.74	4.93
(ii) Profit on Sale of Fixed Assets	127.06	575.21
(iii) Rent Receipt	-	6.51
(iv) Miscellaneous Receipts	109.85	61.63
	239.65	648.28
2.21 Cost of Materials Consumed		
Organic acid/chemicals	6,962.03	8,486.60
Pigments	3,993.17	4,510.73
Solvents & Oils	8,313.99	10,790.26
Packages and Packing Materials	3,119.32	3,463.55
Others*	4,395.02	4,340.16
* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
	26,783.53	31,591.30
2.22 Purchase of Stock-in-Trade	3,170.77	3,624.06
	3,170.77	3,624.06
2.23 Changes in inventories of finished goods, work-in-progress and Stock-in-trade		
Closing Stock		
Finished Goods	7,480.29	8,411.92
Work-in-progress	232.81	241.78
Stock-in-trade	420.79	238.22
	8,133.89	8,891.92
Opening Stock		
Finished Goods	8,411.92	7,933.12
Work-in-progress	241.78	444.49
Stock-in-trade	238.22	468.50
	8,891.92	8,846.11
	758.03	(45.81)

Notes to Standalone Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-15	2013-14
2.24 Employee Benefits Expense		
Salaries and Wages	3,265.38	3,119.76
Contribution to provident and other funds	147.27	270.33
Staff Welfare Expenses	257.14	431.33
	<u>3,669.79</u>	<u>3,821.42</u>
2.25 Finance Costs		
Interest expense	1,795.42	1,635.18
Foreign exchange gain / loss	99.57	267.79
Other borrowing cost	170.19	194.51
	<u>2,065.18</u>	<u>2,097.48</u>
2.26 Other Expense		
Consumption of stores and spare parts	57.46	92.99
Power and fuel	228.10	433.47
Rent	452.17	307.01
Repairs to building	24.32	34.29
Repairs to plant and machinery	107.24	86.36
Insurance	34.34	28.19
Rates and taxes	47.98	56.44
Repairs - others	193.91	180.41
Printing and stationery	65.00	52.96
Communication expenses	143.06	109.11
Directors' fees	4.40	4.70
Payment to the Auditor (note no. 2.30)	12.04	9.56
Cost Audit Fees	0.55	0.50
Commission on sales	150.28	205.09
Travelling expenses	631.89	598.18
Application Charges	249.06	305.20
Freight	3,234.78	2,739.18
Discount & Rebates	1,759.60	1,800.37
Bad Debts	15.34	375.42
Miscellaneous Expenses	716.75	414.60
	<u>8,128.27</u>	<u>7,834.03</u>

Notes to Standalone Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-2015	2013-2014
2.27 Liabilities in Note 2.8(ii) include : (i) ₹ 1250.67 Lacs (Previous Year ₹ 2401.69 Lacs) outstanding in respect of facilities granted to the Company by Small Industries Development Bank of India (SIDBI) as well as interest accrued but not due thereon. Facilities are secured by a first charge on Company's entire fixed assets of Sikandrabad Plant.		
(ii) ₹ 1739.85 Lacs (Previous Year ₹ 3459.12 Lacs) outstanding in respect of facilities granted to the Company by AXIS Bank as well as interest accrued but not due thereon.		
2.28 Contingent Liabilities		
Contingent liability not provided for in respect of :		
i) Excise Duty	293.71	315.33
ii) Bank Guarantee	1479.10	1530.84
iii) Sales Tax	576.04	432.18
iv) Claims against the Company not acknowledged as debt (to the extent ascertained)	74.36	56.62
v) Income Tax	47.95	11.06
*In respect of one of the Company's offices previously taken on rent, the division Bench of High Court of Calcutta has directed appointment of a Special Referee to arrive at mesne profit payable by the Company. The liability on account of mesne profit is unascertained.		
2.29 Commitments		
(i) Estimated amount of capital commitments, net of advance of ₹ 516.80 (previous year ₹ 110.64 lacs)	186.49	393.75
(ii) Uncalled Liability on Partly paid up shares	40.50	40.50
(iii) Others	-	-
2.30 Auditors' Remuneration		
Audit Fees	6.00	5.00
Tax Audit Fees	1.00	0.90
Certification fees and other Services	2.05	1.61
Reimbursement of Exp.	2.99	2.05
2.31 CIF Value of Imports		
Raw Materials	2207.00	2699.00
2.32 Expenditure in Foreign Currency		
Purchase of Raw Material	2946.03	3616.81
Travelling Expenses	3.81	5.76
Testing Charges	2.47	0.97
2.33 Earnings in Foreign Currency		
FOB Value of Export	306.14	304.66

Notes to Standalone Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-2015	2013-2014
2.34 Amount remitted in foreign currency on account of dividend		
a) Number of Non-resident shareholders	NIL	NIL
b) Number of shares held by them	NIL	NIL
c) Amount of dividend remitted	NIL	NIL
d) Year to which dividend relates	NIL	NIL

2.35 Consumption of imported and indigenous raw materials & stores

	2014-2015		2013-2014	
	%	₹ in Lacs	%	₹ in Lacs
Imported	10.98	2946.03	11.49	3639.40
Indigenous	89.02	23894.96	88.51	28044.89
	100.00	26840.99	100.00	31684.29

2.36 Disclosure under The Micro, Small & Medium Enterprises Development Act, 2006:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

2.37 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax Assets amounting to Rs.426.36 lakhs has been recognised.

	Opening as at 01/04/2014 (₹ In lacs)	Charge /[(Credit) during the year (₹ in lacs)	Closing as at 31/03/2015 (₹ in lacs)
Deferred Tax Assets			
Expenses allowable on payment basis	166.85	430.32	597.17
Deferred Tax Liabilities			
Depreciation and related items	(344.32)	(3.92)	(348.24)
Other Adjustments	-	(0.04)	-
Net Deferred Tax Assets/(Liabilities)	(177.47)	426.36	248.93

2.38 Future minimum lease rentals receivable as at the year-end (as per the lease agreements):

	2014-2015	2013-2014
i) Not later than one year	3.25	11.90
ii) Later than one year and not later than five years	8.15	0.07
iii) Later than five years	-	-
	11.40	11.97

Notes to Standalone Financial Statements (Contd.)

(₹ in Lacs)

2.39 Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2015	Transactional Value 2014-15
Sameer Nagpal	Managing Director	Remuneration	9.33 (8.33)	112.00 (100.00)
S.Sarda	Executive Director	Remuneration	- (-)	- (4.85)
Shalimar Adhunik Nirman Ltd.	Subsidiary	Payment made	499.16 (499.16)	0.00 (0.00)
Shalimar Adhunik Nirman Ltd.	Subsidiary	Investment	59.50 (59.50)	- (-)
Eastern Speciality Paints & Coatings Private Limited	Subsidiary	Investment	0.00 (5.00)	0.00 (4.00)
Jindal Stainless Ltd.	Company controlled by Directors	Sales	26.96 (19.44)	73.99 (8.23)

(Note Financial figures in bracket relate to previous year)

2.40 Earning Per Share

Particulars	2014-2015	2013-2014
(a) Profit / (Loss) for the year, per statement of profit and loss (₹ In lacs)	(1,058.41)	(279.51)
(b) Weighted Average number of Equity Shares (Nos.)	18,928,100	18,928,100
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	223,196	223,196
(d) Weighted Average number of Equity shares in computing diluted Earnings per share { (b)+ (c) }	1,91,51,296	1,91,51,296
(e) Earning per Share (in Rupees)		
Basic	(5.59)	(1.47)
Diluted	(5.53)	(1.47)

2.41 Advances to Subsidiary represents the balance consideration receivable by the Company in cash as per the order of Honorable High Courts of Calcutta and Delhi, for transfer of its Real Estate Division to the subsidiary company, Shalimar AdhunikNirman Limited.

2.42 Employees' Benefits

The Company has adopted Accounting Standard 15 (Revised) Employee Benefits with effect from 1st April, 2007.

The following disclosures are made in accordance with Accounting Standard 15 (Revised) pertaining to Defined Benefit Plans :

(a) Defined Benefits Plans / Compensated absences - As per actuarial valuation on 31st March 2015

	Gratuity Funded		Leave Encashment Non funded	
	2014-15	2013-14	2014-15	2013-14
I Expense recognized in the Statement of Profit and Loss				
1 Current Service Cost	29.87	27.88	15.75	1.96
2 Interest on Cost	41.79	43.60	9.26	11.38
3 Employee Contribution	-	-	-	-
4 Expected Return on plan assets	(6.86)	(16.72)	-	-
5 Net Actuarial (Gain) / Losses	65.99	43.34	6.37	36.33
6 Past Service Cost	-	-	-	-
7 Settlement Cost	-	-	-	-
8 Total Expenses	130.79	98.10	31.38	49.67

Notes to Standalone Financial Statements (Contd.)

(₹ in Lacs)

	Gratuity Funded		Leave Encashment Non funded	
	2014-15	2013-14	2014-15	2013-14
II Net Assets / (Liability) recognized in the Balance Sheet				
1 Present Value of Defined Benefits of Obligation as at March 15	420.06	464.32	68.71	102.85
2 Fair Value of plan assets as at March 15	35.40	78.45	-	-
3 Funded status [Surplus/(Deficit)]	(384.66)	(385.87)	(68.71)	(102.85)
4 Net Assets/(Liability) as at March 15	(384.66)	(385.87)	(68.71)	(102.85)
III Change in Obligation during the Year ended				
1 Present Value of Defined Benefit Obligation at beginning of the year	464.32	484.47	102.85	126.42
2 Current Service Cost	29.87	27.88	15.75	1.96
3 Interest Cost	41.79	43.60	9.26	11.38
4 Settlement Cost	-	-	-	-
5 Past Service Cost	-	-	-	-
6 Employee Contributions	-	-	-	-
7 Plan Amendments	-	-	-	-
8 Actuarial (Gain)/ Losses	(69.04)	38.62	6.37	36.33
9 Benefits Payments	(46.88)	(130.25)	65.52	(73.24)
10 Present value of Defined Benefits Obligation at the end of year	420.06	464.32	68.71	102.85
IV Change in Assets during the Year				
1 Plan assets at the beginning of the year	78.45	196.69	-	-
2 Plan assets acquired on amalgamation in Previous Year	-	-	-	-
3 Settlements	-	-	-	-
4 Expected return on plan assets	6.86	16.72	-	-
5 Contributions by employer	-	-	65.52	73.24
6 Actual benefits paid	(46.88)	(130.25)	(65.52)	(73.24)
7 Actual Gains/ (Losses)	(3.04)	(4.71)	6.37	-
8 Actual return on Plan assets	-	-	-	-
9 Plan assets at the end of the year	35.39	78.45	-	-

Notes to Standalone Financial Statements (Contd.)

(₹ in Lacs)

	As at March 31, 2015	As at March 31, 2014
V Actuarial Assumptions:		
1 Discount Rate	7.75%	9.00%
2 Rate of increase in salaries	3.00%	4.00%
3 Rate of return on Plan Assets :		
1) Leave Encashment	N.A.	N.A.
2) Gratuity	8.75%	8.75%
4 Mortality	As per IALM (2006-2008) ultimate.	
5 Withdrawal rate	2%p.a.	2%p.a.
2.43	The Company has written off doubtful debts amounting to ₹ 15.38 lacs (included under the head Miscellaneous expenses in Note 2.26) outstanding for more than three years as at the year end. In the previous year, the said write off amounting to ₹ 375.42 lacs were made on review of doubtful debts on case to case basis.	
2.44	Inventory Value has been adjusted on account of shortage thereof for ₹ NIL (previous year ₹ 602.51 lacs).	
2.45	Miscellaneous Receipts include ₹ 65.43 lacs (previous year ₹ 35.82 lacs) on account of liability written back (net).	
2.46	Some of the debtors, creditors & advances are pending confirmation /reconciliation, and impact of the same, if any, on the accounts of the Company, is unascertained.	
2.47	Finance charges include foreign exchange loss of ₹ 99.57 lacs (previous year ₹ 280.58 lacs).	
2.48	The Company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints.	
2.49	Previous year's figures have been regrouped / rearranged, wherever necessary.	

Signatures to Notes 1 to 2

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)

New Delhi
May 30, 2015

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137

Bernadette Dominic
Company Secretary
Mem No. A31629

Rajiv Rajvanshi
Director
DIN: 00036605

Independent Auditors' Report

To the Members of Shalimar Paints Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Shalimar Paints Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, Shalimar Adhunik Nirman Limited & Eastern Speciality Paints & Coatings Private Limited (the Holding Company and its subsidiaries together referred to as "**the Group**"), comprising of the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Independent Auditors' Report (Contd.)

Other Matters

We did not audit the financial statements of Eastern Speciality Paints & Coatings Private Limited (one of the subsidiaries of Shalimar Paints Limited), whose financial statements reflect total assets of ₹ 5,37,056.00 as at 31st March, 2015, total revenues of ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary companies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) the consolidated financial statements have disclosed the impact of pending litigations on the consolidated financial position of the Group.- Refer Note 2.28 to the consolidated financial statements;
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Reg No-307068E

Place: New Delhi
Dated: May30, 2015

(A K Dubey)
Partner
Mem no: 054975

Consolidated Balance Sheet

as at March 31, 2015

	Note No.	31.03.2015	(₹ in Lacs) 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' fund			
(a) Share Capital	2.1	378.57	378.57
(b) Reserve and Surplus	2.2	5,782.29	6,951.63
		6,160.86	7,330.20
2 Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	1,842.69	1,344.68
(b) Deferred Tax Liabilities (Net)	2.4	-	177.47
(c) Other Long Term Liabilities	2.5	28.20	33.70
(d) Long- Term Provisions	2.6	747.30	778.31
		2,618.19	2,334.16
3 Current Liabilities			
(a) Short Term Borrowings	2.7	11,136.35	9,649.70
(b) Trade Payables	2.8	15,770.51	16,185.94
(c) Other Current Liabilities	2.9	2,157.04	2,615.16
(d) Short Term Provision	2.10	6.07	10.43
		29,069.97	28,461.23
Total		37,849.02	38,125.59
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		7,319.39	3,499.84
(ii) Intangible Assets		287.95	190.25
(iii) Capital Work -In -progress		76.61	1,763.60
(b) Non current Investment	2.12	20.23	20.23
(c) Deferred Tax Assets (Net)	2.4	248.93	-
(d) Long - Term loans and Advances	2.13.1	219.83	182.41
(e) Other non-current assets	2.13.2	6.14	5.79
		8,179.08	5,662.12
2 Current Assets			
(a) Inventories	2.14	10,597.90	12,135.26
(b) Trade receivable	2.15	15,010.91	15,966.83
(c) Cash and cash equivalents	2.16	97.83	446.81
(d) Short term loans and advances	2.17	912.09	834.94
(e) Other current assets	2.18	3,051.21	3,079.63
		29,669.94	32,463.47
Total		37,849.02	38,125.59

Significant Accounting Policies and Notes on Accounts 1 & 2

Notes referred to above form an integral part of the Accounts

This is the Balance sheet referred to in our report of even date

For CHATURVEDI & PARTNERS

Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)
New Delhi
May 30, 2015

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Rajiv Rajvanshi
Director
DIN: 00036605

Bernadette Dominic
Company Secretary
Mem No. A31629

Consolidated Statement of Profit and Loss

for the year ended March 31, 2015

Particulars	Note No.	2014-15	2013-14
		(₹ in Lacs)	
I. Revenue from Operations	2.19	48,324.82	53,958.89
Less: Excise duty		4,997.90	5,677.00
		43,326.92	48,281.89
II. Other Income	2.20	239.65	648.28
III. Total Revenue (I + II)		43,566.57	48,930.17
IV. Expenses :			
Cost of materials consumed	2.21	26,783.53	31,591.30
Purchases of Stock-in-trade	2.22	3,170.77	3,624.06
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.23	758.03	(45.81)
Employee benefits expense	2.24	3,669.79	3,821.42
Finance Costs	2.25	2,065.18	2,097.48
Depreciation and amortization expense	2.11	475.76	367.71
Other expense	2.26	8,128.27	7,834.03
Total Expenses		45,051.33	49,290.19
V. (Loss)/ Profit before exceptional and extraordinary items and tax (III-IV)		(1,484.76)	(360.02)
VI. Exceptional Items		-	-
VII. (Loss) / Profit before extraordinary items and tax (V - VI)		(1,484.76)	(360.02)
VIII. Extraordinary items		-	-
IX. (Loss) / Profit before tax (VII - VIII)		(1,484.76)	(360.02)
X. Tax expense:			
(1) Current Tax		-	-
(2) Deferred Tax		(426.36)	(80.51)
		(426.36)	(80.51)
XI. Profit/(Loss) for the period (IX+ X)		(1,058.40)	(279.51)
XII. Earnings per equity share:			
Basic		(5.59)	(1.47)
Diluted		(5.53)	(1.47)

Significant Accounting Policies and Notes on Accounts 1 & 2

Notes referred to above form an integral part of the Accounts

This is the Statement of Profit and Loss referred to in our report of even date

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)
New Delhi
May 30, 2015

Bernadette Dominic
Company Secretary
Mem No. A31629

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Rajiv Rajvanshi
Director
DIN: 00036605

Consolidated Cash Flow Statement

for the year ended March 31, 2015

	(₹ in Lacs)	
	YTD March, 2015	YTD March, 2014
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit / (Loss) before Tax and Extraordinary items	(1,484.76)	(360.02)
Adjusted for :		
Depreciation	475.76	367.71
Interest/Other Income	(112.59)	(73.07)
Bad debts	15.34	375.42
Interest Expenses	2,065.18	2,097.48
Transfer from Revaluation Reserve	(0.00)	(1.09)
Loss / (Profit) on sale of Fixed Assets	(127.06)	(575.21)
Operating Profit before Working Capital Changes	831.87	1,831.22
Adjusted for:		
Trade and Other Receivables	605.50	(3,035.75)
Inventories	1,537.35	1,061.28
Trade Payables & Other Liabilities	395.08	1,247.71
Direct Taxes paid (net of refund)	426.36	(71.41)
Cash Generated from Operating Activities	3,796.16	1,033.05
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(2,830.56)	(1,366.56)
Sale of Fixed Assets	140.00	649.00
Interest /Other Income Received	112.59	73.07
Net Cash used in Investing Activity	(2,577.97)	(644.49)
C. CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from Borrowings	498.01	639.38
Interest Paid	(2,065.18)	(2,097.48)
Net Cash used in Financing Activities	(1,567.17)	(1,458.10)
Net Increase / (Decrease) in Cash and bank balances (A+B+C)	(348.98)	(1,069.54)
Opening Balance of Cash and bank balances	446.81	1,516.35
Closing Balance of Cash and Bank balances	97.83	446.81

Notes referred to above form an integral part of the Accounts

This is the Cash Flow Statement referred to in our report of even date

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)
New Delhi
May 30, 2015

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Rajiv Rajvanshi
Director
DIN: 00036605

Bernadette Dominic
Company Secretary
Mem No. A31629

Notes to Consolidated Financial Statements

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statement comprises the financial statement of Shalimar Paints Limited (the Company) its Subsidiary Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited. The Company and its Subsidiary constitute Shalimar Group.
- (ii) The financial Statements have been prepared to comply in all material aspects in respect with the notified Accounting Standard Rules, 2006
- (iii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iv) Accounting Policies have been consistently applied by the Group and are consistent with those used in the previous year.
- (v) The financial statement of the company and its subsidiary company have been consolidated on line by line basis by adding together the book value of like items of assets, liability, after eliminating intra- group balances and intra-group transactions.
- (vi) The Consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented, to the extent possible, in the same manner as the company's separate financial statements.

1.2 GENERAL

The financial statements have been prepared on accrual basis, except otherwise stated, and under the historical cost convention except revalued fixed assets in accordance with the applicable accounting standards specified by the Institute of Chartered Accountants of India and relevant provisions of Companies Act, 1956.

1.3 FIXED ASSETS

Fixed Assets are stated at cost, net of cenvat. The cost comprises the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

In case of revaluation of Fixed Assets, the cost / book value as written up by the approved valuer is considered in the books of accounts and the differential amount is transferred to Fixed Asset Revaluation Reserve.

Cash generating assets are assessed for possible impairment at balance sheet dates based on external and internal sources of information. Impairment losses, if any, are recognized as an expense in the Statement of Profit and Loss.

1.4 LEASE ACCOUNTING

The Company provides tinting systems to dealers on an operating lease basis. Lease rentals are accounted in accordance with the respective lease agreements.

1.5 DEPRECIATION

Depreciation on fixed assets is provided at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal:

- a) In respect of assets located at Nashik and Sikandrabad Plant - on straight line method.
- b) In respect of other assets - on written down value method.

Depreciation on amount added on revaluation is recouped from Fixed Assets Revaluation Reserve.

1.6 INVESTMENTS

Investments, being long term in nature are stated at cost, less any diminution in value other than temporary.

1.7 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the equivalent rupee value incurred/earned. Foreign currency assets and liabilities at the year-end are realigned at the applicable exchange rate and variations are adjusted to the revenue or capital heads.

Notes to Consolidated Financial Statements (Contd.)

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.8 INVENTORY

- a) Raw materials including materials in transit, stores & spare parts and loose tools are valued at lower of cost or net realizable value.
- b) Stock in trade, finished goods and work-in-process are valued at lower of cost or net realizable value.
- c) The cost which is arrived at following weighted average basis, comprises all direct costs including taxes and duties net of cenvat credits, transportation and other costs incurred in bringing the inventories to the present location and conditions.
- d) The obsolete/damaged items of inventories are valued at estimated realizable value.

1.9 SALES

The amount recognized as sale is net of returns, and is inclusive of excise duty but exclusive of VAT. The excise duty related to difference between the closing stock and opening stock is recognized separately as part of 'material cost'.

1.10 RETIREMENT BENEFITS TO EMPLOYEES

- (i) The Company operates defined contributions schemes.
The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized in Statement of Profit & Loss on an accrual basis.
- (ii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.
- (iii) For Schemes where recognized funds have been set up, annual contributions are made as determined as per the actuarial valuation report. Actuarial gains & losses are recognized in the Statement of Profit & Loss. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.
- (iv) Provision is made for leave encashment benefit payable to employees on the basis of independent actuarial valuation, at the end of each year and charge is recognized in the Statement of Profit and Loss.

1.11 BORROWING COST

Borrowing Costs attributable to acquisition and construction of assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

1.12 TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 VOLUNTARY RETIREMENT SCHEME

Payments made under the Voluntary Retirement Scheme (VRS) including gratuity arising pursuant to the VRS are amortized over a period of five years commencing from the year in which it is incurred.

1.14 EMPLOYEES STOCK OPTION SCHEME

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight line basis over the vesting period.

1.15 CONTINGENT LIABILITIES

Liabilities which are material in the opinion of the Company and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the Accounts.

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
2.1 Share Capital		
(i) Authorised Capital		
4,00,00,000 Equity Shares of ₹ 2 each	800.00	800.00
(ii) Issued, Subscribed and Fully Paid-up		
1,89,28,100 Equity Shares of ₹ 2 each	378.56	378.56
(iii) Share Forfeiture Account	0.01	0.01
	378.57	378.57

(iv) Reconciliation of Number of Shares and share capital

Particulars	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares vis-à-vis amount at the beginning	18,928,100	378.56	18,928,100	378.56
Add: Shares issued	-	-	-	-
Number of shares vis-à-vis amount at the end	18,928,100	378.56	18,928,100	378.56

(v) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(vi) Detail of number of shares held by each shareholder holding more than 5% of the issued share capital.

Name of Shareholders	As at March 31, 2015		As at March 31, 2014	
	No. of Shares	% held	No. of Shares	% held
Hind Strategic Investments	5,841,570	30.86	5,841,570	30.86
Hexa Securities and Finance Co. Ltd.	1,500,000	7.92	1,500,000	7.92
Nalwa Sons Investments Ltd (Formerly Jindal Strips Limited)	1,372,590	7.25	1,372,590	7.25
Colorado Trading Company Limited	1,224,635	6.47	1,224,635	6.47
Nalwa Investments Limited	1,193,855	6.31	1,193,855	6.31

Notes to Consolidated Financial Statements (Contd.)

	March 31, 2015	(₹ in Lacs) March 31, 2014
2.2 Reserve and Surplus		
Reserve and Surplus consist of following reserves :		
(i) Capital Reserve		
Opening Balance	32.24	32.24
Addition during the year (net)	-	-
	32.24	32.24
(ii) Restricted stock units reserve		
Employee Stock Options Outstanding	110.12	-
Addition during the year (net)	0.67	110.12
	110.79	110.12
(iii) Securities Premium Account		
Opening Balance	949.27	949.27
Addition during the year (net)	-	-
	949.27	949.27
(iv) Fixed Asset Revaluation Reserve		
Opening Balance	280.72	281.81
Less: Withdrawn for extra depreciation on revalued assets	(0.00)	(1.09)
	280.72	280.72
(v) General Reserve		
Opening Balance	3,758.51	3,758.51
Addition during the year (net)	-	-
	3,758.51	3,758.51
(vi) Surplus in the Statement of Profit and loss		
Opening Balance	1,820.77	2,100.28
Add: Profit / (Loss) for the year	(1,058.40)	(279.51)
Less: Prior period adjustments-Depreciation	(111.61)	-
Add: Adjustment for Earliar year Tax	-	-
	650.76	1,820.77
Less : Appropriations		
General Reserve	-	-
Proposed Dividend	-	-
Provision for Tax on Dividend	-	-
	650.76	1,820.77
	5,782.29	6,951.63
2.3 Long-Term Borrowings		
Secured		
Term Loans		
(i) From Bank		
(a) Vehicle loan	-	1.62
(10.25% HDFC loan secured by hypothecation of vehicle repayable in 36 monthly installment)		
(b) Term Loan - South Project*	1,842.69	1,343.06
	1,842.69	1,344.68
*Additional information in respect of Term Loan South Project:		
11.95%, HDFC Term Loan repayable in 45 monthly installment	677.71	377.10
12 %, SBI Term Loan repayable in 28 monthly installment	1,164.98	965.96
	1,842.69	1,343.06

[Secured by (i) first charge , ranking pari passu , by way of an equitable mortgage on the land and building , and hypothecation of other fixed assets thereon , at the Company's factory at Nasik, Maharashtra (ii) first charge , ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, raking pari passu , on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliur , Taluka-Gummidipoondi ,District - Thiruvallur, Tamil Nadu ; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.]

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
2.4 Deferred Tax Liabilities (net)		
(i) Deferred Tax Assets	(597.17)	(166.85)
Expenses allowable on payment basis		
(ii) Deferred Tax Liabilities	348.24	344.32
Depreciation and related items (note 2.37)		
	(248.93)	177.47
2.5 Other Long Term Liabilities		
Trade Deposit	28.20	33.70
	28.20	33.70
2.6 Long Term Provisions		
Provision for Employees' Benefits (Note 2.42)	447.30	478.31
Others	300.00	300.00
	747.30	778.31
2.7 Short Term Borrowings		
Secured		
(i) Loans repayable on demand	11,136.35	9,649.70
From Bank (Cash credit and WCDL)		
Secured by (i) first charge , ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik, Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) second charge, ranking pari passu,(a) on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village - Chinnapuliyur, Taluka-Gummidipoondi, District - Tiruvallur, Tamil Nadu; and hypothecation of plant and machinery to be purchased out of term loan.		
	11,136.35	9,649.70

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
2.8 Trade Payables		
(i) Acceptances	2,591.19	1,119.94
(ii) Sundry Creditors		
a) Sundry creditors for bill discounting (note 2.27)	2,990.52	5,860.82
b) Others	10,188.80	9,205.18
	<u>15,770.51</u>	<u>16,185.94</u>
2.9 Other Current Liabilities		
(i) Secured		
(i) Current Maturity of Long-term debts	1.62	1.46
(ii) Unpaid Dividend	15.01	18.18
(iii) Other Payables		
Employee's remuneration	350.78	317.54
Statutory Payment	692.62	632.95
Discount and Rebate	348.93	573.73
Others (Operating Expenses)	748.08	1,071.30
	<u>2,157.04</u>	<u>2,615.16</u>
2.10 Short Term Provision		
(i) Provision for Employee Benefits	6.07	10.43
	<u>6.07</u>	<u>10.43</u>

Notes to Consolidated Financial Statements (Contd.)

2.11 Fixed Assets

(₹ in Lacs)

PARTICULARS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
	As at April 1, 2014	Additions	Deletions/ Adjustments	As at March 31, 2015	As at April 1, 2014	For the year	Deletions/ Adjustments	As at March 31, 2015	As at March 31, 2015	As at March 31, 2014
I. Tangible Assets										
Land	1,071.36	-	-	1,071.36	-	-	-	-	1,071.36	1,071.36
Building	1,557.66	3,280.80	(85.31)	4,923.77	740.12	80.33	(52.44)	872.89	4,050.88	817.54
Plant & Machinery	2,015.53	837.73	32.23	2,821.03	1,628.59	94.96	41.81	1,681.74	1,139.30	386.94
Leased Equipment	1,865.79	77.12	2.51	1,940.40	988.59	189.46	-	1,178.05	762.35	877.20
Furniture and Fixture	393.59	78.27	-	471.86	193.42	82.77	-	276.19	195.67	200.17
Office Equipment	902.06	29.62	-	931.68	781.51	68.00	-	849.51	82.17	120.55
Motor Vehicles	113.41	-	-	113.41	87.33	8.40	-	95.73	17.69	26.08
TOTAL (A)	7,919.41	4,303.54	(50.57)	12,273.52	4,419.56	523.92	(10.63)	4,954.10	7,319.41	3,499.84
Previous Year	7,579.61	359.95	573.38	7,366.18	4,512.09	325.33	417.86	4,419.56	2,946.62	3,067.52
II. Intangible Assets										
Computer software	610.71	91.87	-	702.58	526.29	33.38	-	559.67	142.91	84.42
Trade Mark	93.41	-	-	93.41	-	25.22	-	25.22	68.18	93.41
Technical know how	62.72	69.28	-	132.01	50.30	4.85	-	55.15	76.86	12.42
Total (B)	766.84	161.15	-	927.99	576.59	63.45	-	640.04	287.95	190.25
Previous Year	653.47	113.37	-	766.84	533.11	-	-	576.59	190.25	120.36
III. Capital Work-in-Progress	1,763.60	2,409.45	4,096.45	76.61	-	-	-	-	76.61	1,763.60
Total (C)	1,763.60	2,409.45	4,096.45	76.61	-	-	-	-	76.61	1,763.60
Previous Year	-	1,763.60	-	1,763.60	-	-	-	-	1,763.60	-
Total (A+B+C)	10,449.84	6,874.14	4,045.88	13,278.11	4,996.15	587.37	(10.63)	5,594.14	7,683.97	5,453.69
Previous Year	8,233.08	2,236.92	573.38	9,896.62	5,045.20	-	417.86	4,996.15	5,453.69	-

- Note: (i) Consequent to the fire incident at Howrah Factory in previous year Fixed Asset Register, as a whole was destroyed. In the previous year, the loss of fixed assets due to fire were accounted for on estimation basis.
The Company is in the process of reconstructing. Fixed Assets Register in the current year, and the amount of loss of Fixed Assets due to fire has been reassessed. The difference between estimated and reassessed loss has been duly accounted for during the year by increasing the Gross Block & Depreciation by ₹ 110.62 Lacs & ₹ 53.18 Lacs, respectively, under the head adjustments.
- (ii) Depreciation on revalued Fixed assets has been provided during the year on revalued amount and the same has been charged to statement of Profit & Loss. In the earlier years, depreciation on revalued assets over and above historical cost was being recouped from revaluation reserve.
The aforesaid change in the method of charging depreciation is required by The Companies Act, 2013 and Guidance note on Schedule II of The Companies Act 2013 issued by Institute of Chartered Accountants of India. The financial impact of said change, is unascertainable due to change in method of depreciation & useful life of assets.
- (iii) Depreciation for the year consists Rs. 111.62 Lacs adjusted with Retained Earnings/Surplus in Note No. 2.2(vii) of Balance Sheet & Balance Rs. 475.76 Lacs charged to Profit & Loss Account. Such adjustments is due to adoption of Schedule II of the Companies Act 2013 in relation to depreciation on fixed assets existed on 01.04.2014

(₹ in Lacs)

March 31, 2015

March 31, 2014

2.12 Non Current Investments -

(iii) Investment in Debentures or Bonds - Unquoted

₹ 6,500 1/2% Woodland Medical Centre Ltd.	0.06	0.06
₹ 17,000 5% Woodland Medical Centre Ltd.	0.17	0.17

(iv) Investment in Mutual Funds - Quoted

UTI Infrastructure Fund - Growth		
UTI Advantage Fund - Growth Plan (now converted to UTI Infrastructure Fund - Growth) 200000 Units of ₹ 10 Each	20.00	20.00

(Market value of 50925.374 Units @ NAV ₹ 44.07 as on 31.03.2015)

	20.23	20.23
Aggregate amount of Unquoted Investments	0.23	0.23
Aggregate amount of Quoted Investments	20.00	20.00
Market Value of Quoted Investments	22.44	15.25

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	March 31, 2015	March 31, 2014
2.13.1 Long Terms Loans and Advances (Unsecured, considered good)		
Security Deposit	219.83	182.41
	<u>219.83</u>	<u>182.41</u>
2.13.2 Other non current assets (Unsecured, considered good)		
Preoperative expenses & others	6.14	5.79
	<u>6.14</u>	<u>5.79</u>
2.14 Inventories (at cost or net realisable value, whichever is lower)		
1) Raw Material		
i) Raw Material	2,304.29	2,757.32
ii) Raw Material in Transit	22.97	364.81
2) Work-in -Progress	232.81	241.78
3) Finished Goods		
i) Finished Goods	7,228.63	8,411.92
ii) Finished Goods in Transit	251.66	-
Stock- in- Trade	420.79	238.22
Stores & spares	136.75	121.21
	<u>10,597.90</u>	<u>12,135.26</u>
2.15 Trade receivables (Unsecured, considered good)		
(i) Outstanding for a period exceeding six months from due date	4,251.74	3,014.10
(ii) Others	10,759.17	12,952.73
	<u>15,010.91</u>	<u>15,966.83</u>
2.16 Cash and Bank Balances		
Cash & Cash Equivalents:		
(i) Balances with Bank(in current account)	58.98	62.19
(ii) Cheque, drafts on hand	-	352.75
(iii) Cash in hand	11.83	11.85
Other Bank Balances:		
(i) Unpaid Dividend Account	15.01	18.18
(ii) Fixed Deposit Account (for more than 12 months)	-	-
(iii) Margin Money	12.01	1.84
	<u>97.83</u>	<u>446.81</u>
2.17 Short term loans and advances - Unsecured, considered good		
(i) Others :		
Advances to suppliers	576.20	510.74
Advance to Employee	35.05	37.03
Advance Tax (Net of Provision for Tax)	300.84	287.17
	<u>912.09</u>	<u>834.94</u>
2.18 Other Current Assets		
(i) Prepaid Expenses	165.24	229.35
(ii) Short term deposit	343.45	328.78
(iii) Other Receivables	1,971.44	2,258.86
(iv) Balances with Revenue Authorities	571.08	262.64
	<u>3,051.21</u>	<u>3,079.63</u>

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-15	2013-14
2.19 Revenue from Operations		
(i) Revenue from Sale of Products	51,909.04	57,350.42
(ii) Other Operating Revenue	220.69	403.42
	52,129.73	57,753.84
Less : Discounts	3,804.91	3,794.95
	48,324.82	53,958.89
Less : Excise duty	4,997.90	5,677.00
	43,326.92	48,281.89
2.20 Other Income		
(i) Interest	2.74	4.93
(ii) Profit on Sale of Fixed Assets	127.06	575.21
(iii) Rent Receipt	-	6.51
(iv) Miscellaneous Receipts (Note 2.45)	109.85	61.63
	239.65	648.28
2.21 Cost of Materials Consumed		
Organic acid/chemicals	6,962.03	8,486.60
Pigments	3,993.17	4,510.73
Solvents & Oils	8,313.99	10,790.26
Packages and Packing Materials	3,119.32	3,463.55
Others*	4,395.02	4,340.16
* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
	26,783.53	31,591.30
2.22 Purchase of Stock-in-Trade	3,170.77	3,624.06
	3,170.77	3,624.06
2.23 Changes in inventories of finished goods, work-in-progress and Stock-in-trade		
Closing Stock		
Finished Goods	7,480.29	8,411.92
Work-in-progress	232.81	241.78
Stock-in-trade	420.79	238.22
	8,133.89	8,891.92
Opening Stock		
Finished Goods	8,411.92	7,933.12
Work-in-progress	241.78	444.49
Stock-in-trade	238.22	468.50
	8,891.92	8,846.11
	758.03	(45.81)

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-15	2013-14
2.24 Employee Benefits Expense		
Salaries and Wages	3,265.38	3,119.76
Contribution to provident and other funds	147.27	270.33
Staff Welfare Expenses	257.14	431.33
	<u>3,669.79</u>	<u>3,821.42</u>
2.25 Finance Costs		
Interest expense	1,795.42	1,635.18
Foreign exchange gain / loss	99.57	267.79
Other borrowing cost	170.19	194.51
	<u>2,065.18</u>	<u>2,097.48</u>
2.26 Other Expense		
Consumption of stores and spare parts	57.46	92.99
Power and fuel	228.10	433.47
Rent	452.17	307.01
Repairs to building	24.32	34.29
Repairs to plant and machinery	107.24	86.36
Insurance	34.34	28.19
Rates and taxes	47.98	56.44
Repairs - others	193.91	180.41
Printing and stationery	65.00	52.96
Communication expenses	143.06	109.11
Directors' fees	4.40	4.70
Payment to the Auditor (note no. 2.30)	12.04	9.56
Cost Audit Fees	0.55	0.50
Commission on sales	150.28	205.09
Travelling expenses	631.89	598.18
Application Charges	249.06	305.20
Freight	3,234.78	2,739.18
Discount & Rebates	1,759.60	1,800.37
Bad Debts	15.34	375.42
Miscellaneous Expenses	716.75	414.60
	<u>8,128.27</u>	<u>7,834.03</u>

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-2015	2013-2014
2.27 Liabilities in Note 2.8 (ii) include : (i) ₹ 1250.67 Lacs (Previous Year ₹ 2401.69 Lacs) outstanding in respect of facilities granted to the Company by Small Industries Development Bank of India (SIDBI) as well as interest accrued but not due thereon. Facilities are secured by a first charge on Company's entire fixed assets of Sikandrabad Plant.		
(ii) ₹ 1739.85 Lacs (Previous Year ₹ 3459.12 Lacs) outstanding in respect of facilities granted to the Company by AXIS Bank as well as interest accrued but not due thereon.		
2.28 Contingent Liabilities		
Contingent liability not provided for in respect of :		
i) Excise Duty	293.71	315.33
ii) Bank Guarantee	1,479.10	1,530.84
iii) Sales Tax	576.04	432.18
iv) Claims against the Company not acknowledged as debt (to the extent ascertained)*	74.36	56.62
v) Income Tax	47.95	11.06
*In case respect of one of the Company's offices previously taken on rent, the division Bench of High Court of Calcutta has directed appointment of a Special Referee to arrive at mesne profit payable by the Company. The liability on account of mesne profit is unascertained.		
2.29 Commitments		
(i) Estimated amount of capital commitments, net of advance of ₹ 516.80 (previous year ₹ 110.64 lacs)	186.49	393.75
(ii) Uncalled Liability on Partly paid up shares	40.50	40.50
2.30 Auditors' Remuneration		
Audit Fees	6.00	5.00
Tax Audit Fees	1.00	0.90
Certification fees and other services	2.05	1.61
Reimbursement of Expenses	2.99	2.05
2.31 CIF Value of Imports		
Raw Materials	2,207.00	2,699.00
2.32 Expenditure in Foreign Currency		
Purchase of Raw Material	2,946.03	3,616.81
Travelling Expenses	3.81	5.76
Testing Charges	2.47	0.97
2.33 Earnings in Foreign Currency		
FOB Value of Export	306.14	304.66

Notes to Consolidated Financial Statements (Contd.)

	(₹ in Lacs)	
	2014-2015	2013-2014
2.34 Amount remitted in foreign currency on account of dividend		
a) Number of Non-resident shareholders	NIL	NIL
b) Number of shares held by them	NIL	NIL
c) Amount of dividend remitted (₹ in Lac)	NIL	NIL
d) Year to which dividend relates	NIL	NIL

2.35 Consumption of imported and indigenous raw materials & stores

	2014-2015		2013-2014	
	%	₹ in Lacs	%	₹ in Lacs
Imported	10.98	2,946.03	11.49	3,639.40
Indigenous	89.02	23,894.95	88.51	28,044.89

2.36 Disclosure under The Micro, Small & Medium Enterprises Development Act, 2006:

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amount unpaid as at the year-end together with interest paid / payable as required under the said Act have not been given.

2.37 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax liabilities amounting to ₹97.58 lakhs pertaining to the current year has been recognized.

	Opening as at 01/04/2014 (₹ In lacs)	Charge / (Credit) during the year (₹ in lacs)	Closing as at 31/03/2015 (₹ in lacs)
Deferred Tax Assets			
Expenses allowable on payment basis	166.85	430.32	597.17
Deferred Tax Liabilities			
Depreciation and related items	(344.32)	(3.92)	(348.24)
Other Adjustments	-	(0.04)	-
Net Deferred Tax Liabilities	(177.47)	426.36	248.93

2.38 Future minimum lease rentals receivable as at the year-end (as per the lease agreements):

	2014-2015	2013-2014
i) Not later than one year	3.25	11.90
ii) Later than one year and not later than five years	8.15	0.07
iii) Later than five years	-	-
	11.40	11.97

Notes to Consolidated Financial Statements (Contd.)

(₹ in Lacs)

2.39 Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2015	Transactional Value 2014-15
Sameer Nagpal	Managing Director	Remuneration	9.33 (8.33)	112.00 (100.00)
S.Sarda	Executive Director	Remuneration	- (-)	- (4.85)
Jindal Stainless Ltd.	Company controlled by Directors	Sales	26.96 (19.44)	73.99 (8.23)

(Note Financial figures in bracket relate to previous year)

2.40 Earning Per Share

Particulars	2014-2015	2013-2014
(a) Profit / (Loss) for the year, per statement of profit and loss (₹ In lacs)	(1,058.41)	(279.51)
(b) Weighted Average number of Equity Shares (Nos.)	18,928,100	18,928,100
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	223,196	223,196
(d) Weighted Average number of Equity shares in computing diluted Earnings per share { (b)+(c) }	1,91,51,296	1,91,51,296
(e) Earning per Share (in Rupees)		
Basic	(5.59)	(1.47)
Diluted	(5.53)	(1.47)

2.41 Employees' Benefits

The Company has adopted Accounting Standard 15 (Revised) Employee Benefits with effect from 1st April, 2007.

The following disclosures are made in accordance with Accounting Standard 15 (Revised) pertaining to Defined Benefit Plans :

Defined Benefits Plans / Compensated absences - As per actuarial valuation on 31st March 2015

	Gratuity Funded		Leave Encashment Non funded	
	2014-15	2013-14	2014-15	2013-14
I Expense recognized in the Statement of Profit and Loss				
1 Current Service Cost	29.87	27.88	15.75	1.96
2 Interest on Cost	41.79	43.60	9.26	11.38
3 Employees' Contribution	-	-	-	-
4 Expected Return on plan assets	(6.86)	(16.72)	-	-
5 Net Actuarial (Gain) / Losses	65.99	43.34	6.37	36.33
6 Past Service Cost	-	-	-	-
7 Settlement Cost	-	-	-	-
8 Total Expenses	130.79	98.10	31.38	49.67

Notes to Consolidated Financial Statements (Contd.)

(₹ in Lacs)

	Gratuity Funded		Leave Encashment Non funded	
	2014-15	2013-14	2014-15	2013-14
II Net Assets / (Liability) recognized in the Balance Sheet				
1 Present Value of Defined Benefits of Obligation as at March 15	420.06	464.32	68.71	102.85
2 Fair Value of plan assets as at March 15	35.40	78.45	-	-
3 Funded status [Surplus/(Deficit)]	(384.66)	(385.87)	(68.71)	(102.85)
4 Net Assets/(Liability) as at March 15	(384.66)	(385.87)	(68.71)	(102.85)
III Change in Obligation during the Year ended				
1 Present Value of Defined Benefit Obligation at beginning of the year	464.32	484.47	102.85	126.42
2 Current Service Cost	29.87	27.88	15.75	1.96
3 Interest Cost	41.79	43.60	9.26	11.38
4 Settlement Cost	-	-	-	-
5 Past Service Cost	-	-	-	-
6 Employee Contributions	-	-	-	-
7 Plan Amendments	-	-	-	-
8 Actuarial (Gain)/ Losses	(69.04)	38.62	6.37	36.33
9 Benefits Payments	(46.88)	(130.25)	65.52	(73.24)
10 Present value of Defined Benefits Obligation at the end of year	420.06	464.32	68.71	102.85
IV Change in Assets during the Year				
1 Plan assets at the beginning of the year	78.45	196.69	-	-
2 Plan assets acquired on amalgamation in Previous Year	-	-	-	-
3 Settlements	-	-	-	-
4 Expected return on plan assets	6.86	16.72	-	-
5 Contributions by employer	-	-	65.52	73.24
6 Actual benefits paid	(46.88)	(130.25)	(65.52)	(73.24)
7 Actual Gains/ (Losses)	(3.04)	(4.71)	6.37	-
8 Actual return on Plan assets	-	-	-	-
9 Plan assets at the end of the year	35.39	78.45	-	-

Notes to Consolidated Financial Statements (Contd.)

		(₹ in Lacs)	
		As at March 31, 2015	As at March 31, 2014
V	Actuarial Assumptions:		
1	Discount Rate	7.75%	9.00%
2	Rate of increase in salaries	3.00%	4.00%
3	Rate of return on Plan Assets :		
	1) Leave Encashment	N.A.	N.A.
	2) Gratuity	8.75%	8.75%
4	Mortality	As per IALM (2006-2008) Ultimate.	
5	Withdrawal rate	2%p.a.	2%p.a.
2.42	The Company has written off doubtful debts amounting to ₹ 15.38 lacs (included under the head Miscellaneous expenses in Note 2.26) outstanding for more than three years as at the year end. In the previous year, the said write off amounting to ₹ 375.42 lacs were made on review of doubtful debts on case to case basis.		
2.43	Inventory Value has been adjusted on account of shortage thereof for ₹ NIL (previous year ₹ 602.51 lacs).		
2.44	Miscellaneous Receipts include ₹ 65.43 lacs (previous year ₹ 35.82 lacs) on account of liability written back (net).		
2.45	Some of the debtors, creditors & advances are pending confirmation /reconciliation, and impact of the same, if any, on the accounts of the Company, is unascertained.		
2.46	The Company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints.		
2.47	The Company has two subsidiaries, namely "Shalimar Adhunik Nirman Limited" (SANL) & "Eastern Speciality Paints & Coatings Private Limited" (ESPCPL). The information in respect of the said subsidiaries, as required to be given vide general circular no. 2/2011 dated 8 th February, 2011 issued by the Ministry of Corporate Affairs, are given below:		

		(₹ in Lacs)	
		SANL	ESPCPL
a)	Capital (paid up)	: 59.50	5.00
b)	Reserves	: NIL	
c)	Total Assets	: 559.50	5.37
d)	Total Liabilities	: 559.50	5.37
e)	Detail of Investment (except in case of investment in the subsidiaries)	: NIL	
f)	Turnover	: NIL	
g)	Profit before Taxation	: NIL	
h)	Provision for Taxation	: NIL	
i)	Profit after Taxation	: NIL	
j)	Proposed Dividend	: NIL	

Since there is no business activities by the subsidiaries / profit during the year ended 31st March, 2015, tax provision including deferred tax, have not been made.

2.48 Finance charges include foreign exchange loss of ₹ 99.57 lacs (previous year ₹ 280.58 lacs).

2.49 Previous year's figures have been regrouped / rearranged, wherever necessary.

Signatures to Notes 1 to 2

For CHATURVEDI & PARTNERS
Chartered Accountants
(Firm Regn. No. 307068E)
A. K. Dubey
Partner
(Mem. No. 054975)
New Delhi
May 30, 2015

Bernadette Dominic
Company Secretary
Mem No. A31629

For and on behalf of the Board

Surender Kumar
Whole-time Director and COO & CFO
DIN: 00510137
Rajiv Rajvanshi
Director
DIN: 00036605

ATTENDANCE SLIP

SHALIMAR PAINTS LIMITED

CIN: L24222WB1902PLC001540

Registered Office: Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109

Phone : 033-2644-3201; Fax : 033-2644-3540; e-mail : hwhsec@shalimarpaints.com

Website: www.shalimarpaints.com

Venue of the Meeting: The Lake Land Country Club, Kona Expressway, P.O. : Munshidanga, P.S. : Domjur, Howrah - 711403

Date & Time: 28th September, 2015 at 12 Noon

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No	
No. of shares held	

*Applicable for investors holding shares in Electronic form.

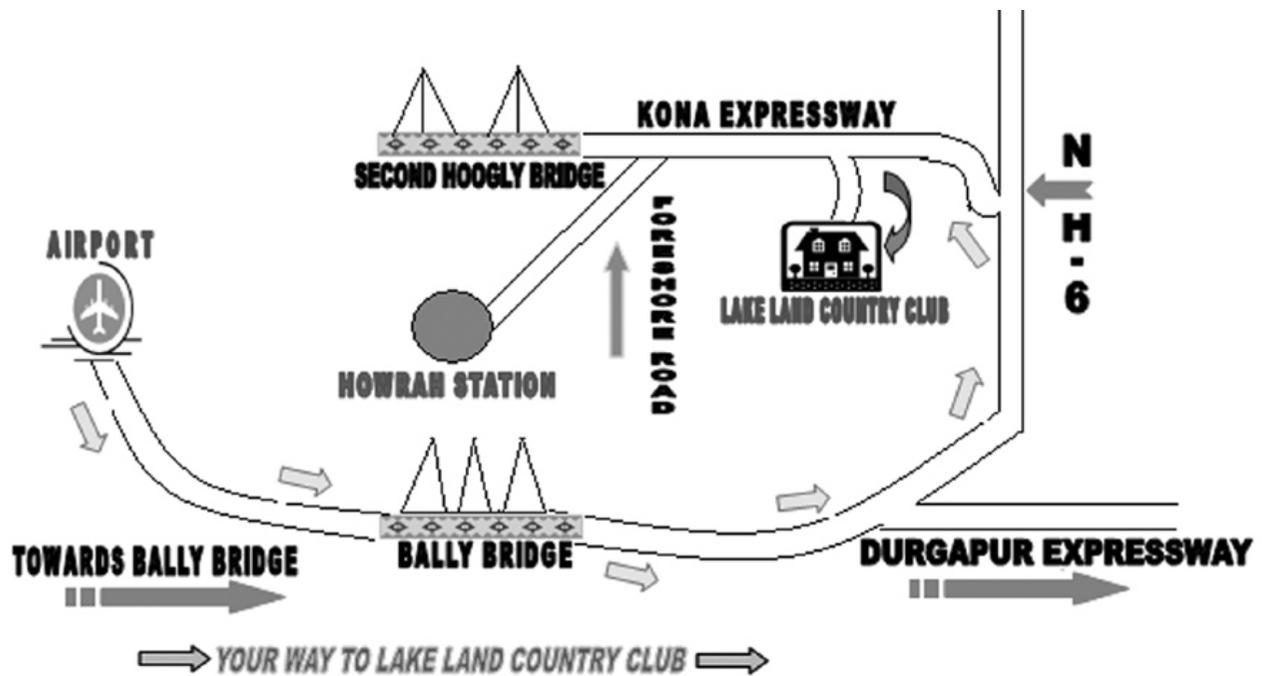
I certify that I am the registered shareholders/proxy for the registered shareholder of the Company.

I hereby record my presence at the 113th Annual General Meeting of the Company being held on 28th September, 2015 at 12.00 Noon at The Lake Land Country Club, Kona Expressway, P.O.: Munshidanga, P.S.: Domjur, Howrah - 711403.

Signature of Member / Proxy

- Note:
1. Electronic copy of the Annual Report for 2015 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
 2. Physical copy of the Annual Report for 2015 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.

**Route map to the venue of the 113th AGM of
Shalimar Paints Limited**



Address:-

LAKE LAND COUNTRY CLUB

(Unit of Panchwati Holiday Resort Limited)

Off Kona Express Way, Howrah-711403

Phone No: 9230067300/9830321874

E-mail ID:n_arshi786@yahoo.co.in

SHALIMAR PAINTS LIMITED

CIN: L24222WB1902PLC001540

Registered Office: Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109

Phone : 033-2644-3201; Fax : 033-2644-3540; e-mail : hwhsec@shalimarpaints.com

Website: www.shalimarpaints.com

Form No. MGT-11

PROXY FORM

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

CIN: L24222WB1902PLC001540

Name of the Company: Shalimar Paints Limited

Registered Office: Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109

Name of the Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No	

*Applicable for investors holding shares in Electronic form.

I/We being the member(s) of _____ shares of the above named Company hereby appoint

1. Name: _____ Email Id: _____
Address: _____
Signature: _____ Or failing him/her
2. Name: _____ Email Id: _____
Address: _____
Signature: _____ Or failing him/her
3. Name: _____ Email Id: _____
Address: _____
Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 113th Annual General Meeting of the Company to be held on 28th September, 2015 at 12.00 Noon at The Lake Land Country Club, Kona Expressway, P.O.: Munshidanga, P.S.: Domjur, Howrah - 711403 or/and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of the Audited Financial Statements for the year ended 31st March 2015 and the Reports of the Board and Auditors thereon
2.	Re-appointment of Mr. Girish Jhunjhnuwala (DIN 01093551), who retires by rotation
3.	Appointment of Auditors and fixing their remuneration
Special Business	
4.	Appointment of Mr. Surender Kumar (DIN: 00510137), as a Director of the Company.
5.	Appointment of Mr. Surender Kumar (DIN: 00510137), as a Whole-time Director and COO & CFO of the Company.

Signed this _____ day of _____

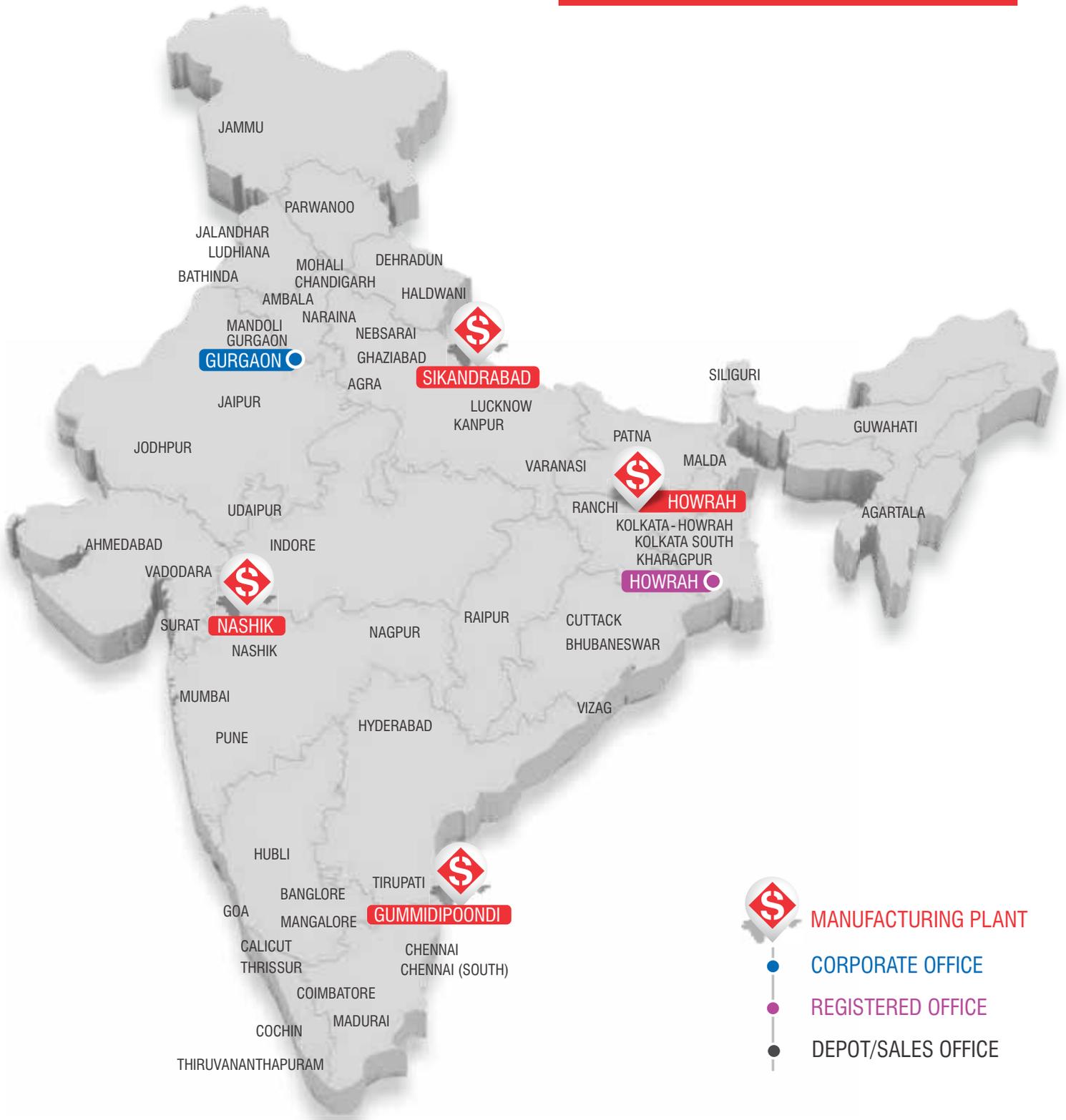
Signature of Shareholder _____

Signature of proxy holder(s) _____



Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.

NATIONWIDE PRESENCE



-  MANUFACTURING PLANT
-  CORPORATE OFFICE
-  REGISTERED OFFICE
-  DEPOT/SALES OFFICE





Shalimar Paints Ltd.

Regd. Office: P.O Danesh Shaikh Lane, Howrah-711109, West Bengal (India) ☎ +91 33 26443201-02 📠 +91 33 26443540

Corp. Office: 4th Floor, Plot No.64, Sector-44, Gurgaon-122001, Haryana (India) ☎ +91 124 4616600 📠 +91 124 4616659

✉ askus@shalimarpaints.com, shalimarpr@shalimarpaints.com 🌐 www.shalimarpaints.com

CIN: L24222WB1902PLC001540