

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611

**Registered Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram,
Haryana - 122001**

T.: 0124-4616600; F.: 0124-4616659; E-mail Id: askus@shalimarpaints.com

Website: www.shalimarpaints.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013, read with the Companies
(Management and Administration) Rules, 2014]

To the members of the Company,

Notice is hereby given that the resolutions set out below are proposed to be passed by the members of Shalimar Paints Limited (“the Company”) by means of Postal Ballot including Electronic Voting (e-voting), pursuant to Section 110 and all other applicable provisions of the Companies Act, 2013 (“the Act”) read with Rule 22 of the Companies (Management and Administration) Rules, 2014 (“the Rules”) (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force).

The Statement pursuant to Section 102(1) of the Act read with Rules made thereto, setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is attached.

The Company has engaged Central Depositories Services India Limited (CDSL) as the Agency to provide e-voting facility so as to enable the members to exercise their right to vote on proposed resolutions by electronic means i.e., remote e-Voting Services.

The Company has appointed Ms. Manisha Rawat, Proprietor, M/s. Manisha Rawat & Associates, Practising Company Secretaries (COP No.15073), as Scrutinizer for conducting the Postal Ballot including e-voting process in a fair and transparent manner and they have communicated their willingness to be appointed and will be available for the said purpose.

Members have the option to vote either by means of physical Postal Ballot or through e-voting. Members desiring to exercise their vote by means of physical Postal Ballot are requested to carefully read the instructions printed in this Postal Ballot Notice and Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed Postage pre-paid Envelope so as to reach the Scrutinizer not later than the close of working hours, that is, 5:00 p.m. on Friday, July 6, 2018. Postal Ballot Forms received after 5:00 p.m. on Friday, July 6, 2018 will be treated as ‘invalid’. In compliance with Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and pursuant to Section 108 of the Act read with Rule 20 of The Companies (Management and Administration) Rules 2014 (as amended upto date), the Company is also providing e-voting facility for voting electronically on the resolutions proposed in this Postal Ballot Notice. Members desiring to opt for the e-voting facility are requested to read carefully the related notes to this Postal Ballot Notice and instructions given thereunder.

The Scrutinizer will submit his report to the Managing Director of the Company after the completion of scrutiny, and the results of voting by means of Postal Ballot (including voting through electronic means) will be announced on Saturday, July 07, 2018, at the Registered Office of the Company and also by placing the same on the Company’s website: www.shalimarpaints.com and notice board of the Company’s Registered Office at Stainless Centre, 4th Floor, Plot No. 50, Sector-32, Gurugram, Haryana – 122001 and shall also be communicated to the Stock Exchanges, the Depositories and the Registrar and Share Transfer Agents.

SPECIAL BUSINESS

1. Increase in Authorised Share Capital and consequent alteration to the capital clause of Memorandum of Association

To consider and pass the following Resolution as an Ordinary Resolution:

"**RESOLVED THAT** in accordance with the provisions of Sections 13 and 61 and all other applicable provisions of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company, approval of the members be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 8,00,00,000/- (Rupees Eight Crore Only) divided into 4,00,00,000 (Four Crore) equity shares of Rs. 2/- (Rupees Two only) each to Rs. 20,00,00,000/- (Rupees Twenty Crore Only) by creation of additional 6,00,00,000 (Six Crore) equity shares of Rs. 2/- (Rupees Two Only) each and consequently, the existing Clause 5 of the Memorandum of Association of the Company be and is hereby altered and substituted by the following as new Clause 5:

"5. The Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty Crore Only) consisting of 10,00,00,000 (Ten Crore) equity shares of Rs. 2/- (Rupees Two Only) each."

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company."

2. Alteration of Article of Association

To consider and pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to provisions of section 14 of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof) (the "Act") read with the rules framed there under and subject to such other approvals, permission and consents as may be required, approval of the members be and is hereby accorded to alter Clause 4 of Articles of Association of the Company and consequently, the existing Clause 4 of the Articles of Association of the Company be and is hereby altered and substituted by the following as new Clause 4:

"The Authorised Share Capital of the Company is as mentioned in Clause 5 of the Memorandum of Association of the Company with power of the Board of Directors to sub-divide, consolidate and increase and with power from time to time, issue any shares of the original capital with the subject to any preferential, qualified or special rights, privilege or condition as may be, though fit, and upon the sub-division of shares aspiration the right to participate in profits in my manner as between the shares resulting from sub-division."

RESOLVED FURTHER THAT the Board of Directors ('the Board', which term shall include any Committee authorised by the Board to exercise its powers including powers conferred on the Board by this resolution) of the Company be and is hereby authorised to do all such acts, deeds, matters and things and take all such steps as may be necessary, proper, expedient or desirable for the purpose of giving effect to this resolution and for matters

connected therewith or incidental thereto, including delegation of any of the powers herein conferred to on any Director(s), Company Secretary or any other officer of the Company."

3. **Consideration and Approval of the Rights Issue**

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

“RESOLVED THAT pursuant to provisions of Section 62(1) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendment thereto or re-enactment thereof) for the time being in force, and in accordance with provisions of the Memorandum and Articles of Association of the Company and regulation / guidelines, if any, and such amendments and modifications prescribed by the Government of India (“GOI”), the Reserve Bank of India (“RBI”), the Securities and Exchange Board of India (“SEBI”) and the Stock Exchanges where the equity shares of the Company are listed or statutory, governmental and other authorities and Departments, within or outside India, from time to time, to the extent applicable and subject to approvals, consents, permissions and sanctions as might be required and subject to such conditions as may be prescribed while granting such approvals, consent, permissions or sanctions and subject to such conditions and modifications which may be agreed to by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall include any Committee(s) constituted / to be constituted by the Board to exercise its powers including the power conferred by this Resolution), the consent of the members of the Company be and is hereby accorded to offer and issue (on such terms as is permitted by applicable law), equity shares, (the “Rights Issue”) for an amount not exceeding Rs. 3,00,00,00,000/- (Rupees Three Hundred Crore Only), for cash to the existing shareholders of the Company whose names appear on the Register of Members of the Company on a record date and in the ratio and price to be determined by the Board.

RESOLVED FURTHER THAT the Equity Shares issued shall rank pari passu with the existing shares of the Company in all respect.

RESOLVED FURTHER THAT the unsubscribed portion, if any, of the shares after considering the applications received from Rights Issue, noted above shall be disposed of in such manner, as the Board deems fit and proper at its absolute discretion and as most beneficial to the Company.

RESOLVED FURTHER THAT the Board shall be entitled to issue in consultation with and subject to the approval, if necessary, of any concerned authority, appropriate Offer Document, as the Board may at its absolute discretion think fit including applicable regulations not limited to the provisions relating to renunciation, payment of subscription monies by installments, listing of the new Equity Shares with the stock Exchanges, issue opening and closing dates, extension of the issue closing date, price for equity shares, to vary the size of the issue, appoint Lead Managers, Bankers and other intermediaries or other agencies concerned and such other terms & conditions as may be necessary or stipulated in such Offer Document, and the Board be and is hereby expressly authorized and empowered to accept such variation and modification as the RBI / SEBI or any other concerned authority may stipulate in that behalf and to also at its discretion to amend, modify, vary or alter all or any other terms of the issue including the basis or proportion of the offer to be made to the aforesaid categories of persons noted above accordingly including the right to increase, decrease or recalculate the number of Equity Shares to be offered and alter the terms as to issue price, including, premium and their entitlement thereto and in the Offer Document, and all such other terms and conditions of offer as are necessary or expedient in the discretion of the Board and/ or may have to be incorporated on account of any modifications or amendment required or accepted by any concerned authority.

4. **Increase in the limit of total shareholding of all registered Foreign Portfolio Investors (FPIs)/ Registered Foreign Institutional Investors (FIIs) put together from 24% to 49% of the paid up equity share capital of the Company**

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

“RESOLVED THAT pursuant to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), the Foreign Exchange Management (Transferor Issue of Security by a Person Resident Outside India) Regulations, 2000 (Regulations) as amended up to date, the current Consolidated Foreign Direct Investment Policy Circular of 2016, the Companies Act, 2013 as amended, Companies Act, 1956, to the extent that such provisions have not been superseded by the Companies Act, 2013 and all other applicable Rules, Schedules, Regulations, Circulars, Directions, Notifications, Press Notes, Guidelines and Laws (including any statutory modifications or reenactment thereof for the time being in force) and subject to all applicable approvals, permissions and sanctions and subject to such conditions as may be prescribed by any of the concerned authorities while granting such approvals, permissions, sanctions, consent of the members of the Company be and is hereby accorded to the Board of Directors to *increase* the total shareholding limit of foreign investments by a Foreign Portfolio Investors (FPIs) and/ Foreign Institutional Investors (FIIs) as defined and registered under the relevant regulations by the Securities and Exchange Board of India (SEBI) on their own account and on behalf of each of their SEBI approved sub-accounts by whatever name called, to acquire and hold equity shares of the Company by acquisition through secondary market route under the “Foreign Portfolio Investment Scheme” under FEMA and regulations framed thereunder, up to an aggregate limit upto 49% of the paid-up equity share capital of the Company, provided however that the shareholding of foreign investors including FPIs or FIIs, on its own account and on behalf of each of their SEBI approved sub-accounts in the Company, shall not exceed such limits as may be prescribed from time to time, under applicable Acts, Laws, Rules and Regulations.

RESOLVED FURTHER THAT the Board of Directors of the Company (which shall include any committee which the Board may constitute, or any Director/Officer authorized by the Board for this purpose) be and is hereby authorized to do all such acts, deeds, matters and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto including raising limit from 24% to 49% of the paid up equity share capital of the Company without requiring to secure any further consent or approval of the members of the Company and to file necessary form(s) and document(s) with Registrar of Companies, Reserve Bank of India and other concerned authorities and/or departments.”

By Order of the Board of Directors
For **Shalimar Paints Limited**

Sd/-

Nitin Gupta

Company Secretary

M. No.: FCS 8485

Regd. Off.: Stainless Centre, 4th Floor,

Plot No. 50, Sector-32,

Gurugram, Haryana - 122001

Place : Gurugram

Dated: 23rd May, 2018

Notes:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”) setting out all material facts relating to the resolutions mentioned in this Postal Ballot Notice is attached.

2. The Postal Ballot Notice along with the Postal Ballot Form is being sent in electronic form to the members who have registered their e-mail addresses with the Company / Registrars and Transfer Agents of the Company (in case of physical shareholding) / with their Depository Participants (in case of electronic shareholding). Physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent to members whose e-mail addresses are not registered, by permitted mode along with a self-addressed postage pre-paid Envelope.
3. Voting rights shall be reckoned on the paid-up value of shares registered in the name of member / beneficial owner (in case of electronic shareholding) as on Friday, May 18, 2018.
4. Members who have received this Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot may download the Postal Ballot Form attached to the e-mail or may download the Postal Ballot Form from www.evotingindia.com or from the "Investors" section on the Company's website: www.shalimarpaints.com, where this Postal Ballot Notice is displayed and send the duly completed and signed Postal Ballot Form so as to reach the Scrutinizer on or before 5:00 p.m. (IST) on Friday, July 6, 2018.
5. Pursuant to the provisions of Section 108 and all other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, as amended, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically and has engaged the services of Central Depositories Services India Limited ("CDSL") as the agency to provide e-voting facility. Instructions for the process to be followed for e-voting are annexed to this Postal Ballot Notice.
6. Members can opt for only one mode of voting, that is, either by physical Postal Ballot or e-voting. In case members cast their votes through both the modes, voting done by e-voting shall prevail and votes cast through physical Postal Ballot will be treated as "INVALID".
7. The e-voting period commences on Thursday, June 7, 2018 at 9:00 a.m. (IST) and ends at 5:00 p.m. (IST) on Friday, July 6, 2018. During this period, members of the Company, holding shares either in physical or dematerialised form, as on the cut-off date, that is, Friday, May 18, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL thereafter.

8. **Information and instructions relating to voting through physical Postal Ballot Form**

- (i) Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the Assent (**FOR**) or Dissent (**AGAINST**), in the enclosed self-addressed postage pre-paid envelope, so as to reach the Scrutinizer, not later than close of working hours that is, 5:00 p.m. (IST) on Friday, July 6, 2018, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member.
- (ii) Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
- (iii) Corporate / Institutional Members (that is, other than Individuals, HUF, NRI, etc.) opting for physical ballot are also required to send certified true copy of the Board Resolution / Power of Attorney / Authority Letter, etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer along with the Postal Ballot Form.

9. **Voting through Electronic means**

The business as set out in the Notice may be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Pursuant to the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer remote e-voting facility as an alternate, to its members to cast their votes electronically on the resolutions set forth in the Notice of Postal Ballot. The Company has engaged the services of Central Depository Services of India Limited (CDSL) to provide the e-voting facility.

The Members whose names appear in the Register of Members / List of Beneficial Owners as on 18th May, 2018 (cut-off date), are entitled to vote on the resolution set forth in this Notice.

The remote e-voting period will commence on 07th June, 2018 at 9:00 A.M. and will end on 06th July, 2018 at 5:00 P.M. During this period, Members of the Company holding shares either in physical form or in dematerialized

form, as on the cut-off date may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Members will not be able to cast their votes electronically beyond the date & time mentioned above.

The instructions for shareholders voting electronically are as under:

- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
- (ii) Click on Shareholders.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) 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.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details / (DOB)	<p>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.</p> <ul style="list-style-type: none"> • 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 (iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for ‘Shalimar Paints Limited’ on which you choose to vote.
- (xi) 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.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- (xiii) 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.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) **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 linked in the login 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.
- (xviii) 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.
10. Relevant documents referred to in this Postal Ballot Notice and the Statement are available for inspection by the members at the Company’s registered office during business hours on all working days except Saturday from the date of despatch of this Postal Ballot Notice till Friday, July 6, 2018.
11. Members who have not registered their e-mail addresses are requested to register the same with the Company’s Registrars and Transfer Agents / Depository Participant(s) for sending future communication(s) in electronic form.
12. The Scrutinizer shall within a period not exceeding two (2) days after the conclusion of the remote e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Report of the votes cast in favour or against, if any, forthwith.
13. Member cannot exercise his / her vote by proxy on Postal Ballot.
14. The Scrutinizer’s decision on the validity or otherwise of Postal Ballot / E-Voting will be final.
15. The Scrutinizer will submit his report to Mr. Surender Kumar, Managing Director and CEO of the Company, after completion of the scrutiny of postal ballot forms and votes cast through remote e-voting. The result of the voting will be announced by Mr. Kumar on 7th July, 2018 at 4:00 P.M. at the Company’s Registered Office at **Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana – 122001** and will also be displayed on the website of the Company at www.shalimarpaints.com, notice board of the Company’s Registered Office at **Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana – 122001**. And shall also be communicated to the Stock Exchanges, the Depositories and the Registrar and Share Transfer Agents.
16. The resolutions, if approved, shall be deemed to have been passed on the last date of voting, i.e., Friday, July 6, 2018.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013
("THE ACT")**

Item No. 1 & 2

Presently, the Authorised Share Capital of the Company stands at Rs.8,00,00,000/- (Rupees Eight Crore Only) divided into 4,00,00,000 (Four Crores) Equity Shares of Rs. 2/- (Rupees Two) each.

In order to meet its business objectives, it is proposed to increase the Authorised Share Capital of the Company from Rs. 8,00,00,000/- to Rs. 20,00,00,000 (Rupees Twenty Crore Only) divided into 10,00,00,000 (Ten Crores) Equity Shares of Rs. 2/- (Rupees Two Only) each by the creation of additional capital of Rs. 12,00,00,000/- (Rupees Twelve Crore Only) divided into 6,00,00,000 (Six Crores) Equity Shares of Rs. 2/- (Rupees Two Only) each.

The proposal for increase in the Authorised Share Capital and consequential amendment to the Memorandum and Articles of Association of the Company calls for the approval of the members by means of Ordinary/ Special Resolutions.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 1 and 2 of this Postal Ballot Notice except to the extent of their shareholding in the Company.

The Memorandum and Articles of Association of the Company are open for inspection of the members at the Registered Office of the Company during the normal business hours at any time till the conclusion of the voting period i.e., till 5:00 PM on July 6, 2018.

Item No. 3

In order rebuilt the Nasik Plant of the Company and shoring up of working capital and for general purposes not limited to up gradation of Machines and Brand Marketing etc., it is proposed to mobilize the additional capital not exceeding Rs. 300 Crores through further issue for cash on Rights basis to the existing shareholders at a price to be decided by the Board in accordance with the provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations 2009 as amended from time to time.

The Board of directors have therefore proposed to offer further shares to existing holders of Equity Shares of the Company on a date to be fixed hereafter by the directors of the Company to augment financial resources for funding the capital expenditure/ working capital requirement in the manner and upon the terms and conditions as set out in the resolution. The right to decide on various terms including timing, pricing, ratio and other incidental matters is being left to the discretion of the Board of Directors who would take decisions as they deem fit in the best interest of the Company.

The Board of Directors recommend the Special Resolution for approval of the Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolutions set out at Item No. 3 of this Postal Ballot Notice except to the extent of their shareholding in the Company.

Item No. 4

As per the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and the 'Consolidated FDI Policy' (issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India) ("FDI Policy"), the total investment by all Foreign Portfolio Investors ("FPIs") and Foreign Institutional Investors ("FIIs") registered with the Securities and Exchange Board of India ("SEBI"), including their sub-accounts, under the portfolio investment scheme, is not to exceed 24% of the paid-up equity share capital of the Company. However, this limit can be increased to 49% of the paid-up equity share capital of the Company under the automatic route, after approval by the board of directors and members of the Company by way of a special resolution and subject to intimation to the Reserve Bank of India ("RBI").

Pursuant to the FEMA 2000 and the FDI Policy, foreign investment of up to 49% of the paid-up equity share capital is being permitted under the automatic route.

To attract the foreign investments and to make more space for the FPIs/ FIIs to invest in the equity share capital of the Company, it is proposed to enhance the investment limits of FPIs/ FIIs in the Company, under Foreign Portfolio Investment Scheme framed under FEMA, from 24% to 49% of the paid-up equity share capital of the Company. This would result in widening the investor base of the Company, facilitating/ benefiting the shareholders and the Company. Accordingly, consent of the Members is sought for passing a Special Resolution for increasing the limit of shareholding by FPIs / FIIs from 24% to 49% of the paid up equity share capital of the Company.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of resolution as set out at Item No. 4 for approval by the members as Special Resolution through Postal Ballot.

By Order of the Board of Directors
For **Shalimar Paints Limited**

Sd/-

Nitin Gupta

Company Secretary

M. No.: FCS 8485

Regd. Off.: Stainless Centre, 4th Floor,

Plot No. 50, Sector-32,

Gurugram, Haryana - 122001

Place : Gurugram

Dated: 23rd May, 2018

SHALIMAR PAINTS LIMITED
CIN: L24222HR1902PLC065611

Registered Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana - 122001
T.: 0124-4616600; F.: 0124-4616659; E-mail Id: askus@shalimarpaints.com
Website: www.shalimarpaints.com

POSTAL BALLOT FORM

1.	Name & Registered address of the sole/first named Member	:	
2.	Name(s) of the joint Holder(s) (if any)	:	
3.	Registered Folio No. / DP ID No.* & Client ID No.* (*applicable only to members holding equity shares in dematerialised form)	:	
4.	Number of Equity Share(s) held as on 18 th May, 2018	:	

I / We hereby exercise my/our vote(s) in respect of the following Resolutions to be passed through Postal Ballot for the business stated in the Postal Ballot Notice dated May 23, 2018 issued by the Company, by conveying my/ our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below :

S. No.	Description of Resolutions	Number of equity Shares held by me/ us	I/We assent to the resolution (FOR)	I/We dissent to the resolution (AGAINST)
1	ORDINARY RESOLUTION for Increase in Authorised Share Capital and consequent alteration to the capital clause of Memorandum of Association			
2	SPECIAL RESOLUTION for Alteration of Article of Association			
3	SPECIAL RESOLUTION for approval of Fund raising through Rights Issues			
4	SEPCIAL RESOLUTION for Increase in the limit of total shareholding of all registered Foreign Portfolio Investors (FPIs)/ Registered Foreign Institutional Investors (FIIs) put together from 24% to 49% of the paid up equity share capital of the Company			

Place :
Date :

Signature of the Member

Electronic Voting Particulars

The e-voting facility is available at the linkThe electronic voting particulars are set out as follows:

EVEN (E-voting even number)	User ID	Password
180528001		

The e-voting facility will be available during the following voting period

Commencement of e-voting	End of e-voting
Thursday June 07, 2018 at 09:00 hours (IST)	Friday July 06, 2018 at 17:00 hours (IST)

Notes:

- Please read the instructions given overleaf carefully before filling this form and for e-voting please refer to the instructions for voting through electronic means provided in the Postal Ballot Notice sent herewith.
- Last date for receipt of Postal Ballot Form by the Scrutinizer is July 06, 2018 (5.00 P.M.)

INSTRUCTIONS

1. A Member desirous of exercising vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer in the attached self-addressed Envelope. The postage is borne and paid by the Company. Envelopes containing Postal Ballot Form, if deposited in person or sent by courier or any other mode at the expense of the Member(s), will also be accepted.
2. Please clearly convey your assent / dissent in this Postal Ballot Form only. The assent or dissent received in any other form shall not be considered valid.
3. The Postal Ballot Form should be completed and signed by the Member (as per specimen signature registered with the Company/ RTA or Depository Participants, in respect of shares held in the physical form or dematerialized form respectively). In case of joint holding, this Form must be completed and signed by the first named Member and in his/her absence, by the next named Member. There shall be one postal ballot for every folio/Client ID irrespective of the number of the joint holder(s). The right of voting by Postal Ballot shall not be exercised by proxy.
4. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of board resolution/authorization giving requisite authority to the person voting on the Postal Ballot Form, together with the duly attested specimen signature(s) of the authorized signatories.
5. The Postal Ballot Form duly completed and signed should be forwarded to the Scrutinizer appointed by the Company at Ms. Manisha Rawat, Scrutinizer, C/o., Shalimar Paints Limited, Registered Office at **Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana - 122001**, so as to reach the Scrutinizer not later than the close of working hours on or before July 06, 2018 (i.e., 5:00 P.M.). Postal Ballot Forms received after this date will be strictly treated as if the reply from such members has not been received.
6. A Member can apply for duplicate Postal Ballot Form through an email at askus@shalimarpaints.com, or may download the same from the Company's website at www.shalimarpaints.com, if so required. For any clarification(s), please contact Mr. Nitin Gupta, Company Secretary and Compliance Officer, Mobile No. +91-95994-89287, e-mail nitin.gupta@shalimarpaints.com.
7. Members are requested to fill the Postal Ballot Form in indelible ink and avoid filling it by using erasable writing mediums like pencil.
8. Voting rights shall be reckoned on the paid up value of shares registered in the name(s) of member(s) on the cut-off date i.e., May 18, 2018.
9. Unsigned, incomplete, mutilated or incorrectly ticked Postal Ballot Forms shall be rejected. The scrutinizer's decision on the validity of the postal ballot shall be final and binding.
10. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope. If any extraneous paper is found, the same will be destroyed by the Scrutinizer.
11. The Company is pleased to offer e-voting facility as an alternative, for all the Members of the Company to enable them to cast their votes electronically instead of dispatching Postal Ballot Form. E-voting is optional. The detailed procedure of e-voting is enumerated in the Notes to the Postal Ballot Notice.
12. The Result along with the Scrutinizer's Report on the Postal Ballot shall be declared on July 07, 2018 and shall be placed on the Company's website, notice board of the Company's Registered Office at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana – 122001 and shall also be communicated to the Stock Exchanges, the Depositories and the Registrar and Share Transfer Agents.