



**SHALIMAR
PAINTS**

BUSINESS RESPONSIBILITY REPORT
(2021-22)

SHALIMAR PAINTS LIMITED

Introduction

In an age when enterprises are increasingly seen as critical components of the society, they are accountable not only to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance.

Ministry of Corporate Affairs, Government of India, developed the 'National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business' in 2011. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices.

Further the Securities and Exchange Board of India (SEBI) has mandated top 1,000 listed companies of India by market capitalization to publish a Business Responsibility Report (BRR) based on NVG under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI Listing Regulations") as amended.

BRR serves as a tool to communicate the performance of organization on Economic, Social and Governance (ESG) parameters to its stakeholders. It also motivates the company to measure, disclose and be accountable for organizational performance while working towards the goal of responsible and sustainable development.

Shalimar Paints Limited ("SPL") is delighted to present its BRR for the Financial Year 2021-22. This report is developed in-line with the 'suggested framework' by SEBI.

Section A: General Information about the Company

1.	Corporate Identity Number (CIN) of the Company	L24222HR1902PLC065611
2.	Name of the Company	Shalimar Paints Limited ("SPL/the Company")
3.	Registered Address	Stainless Centre, 4 th Floor, Plot No. 50, Sector 32, Gurugram - 122001, Haryana
4.	Website	www.shalimarpaints.com
5.	E-mail ID	askus@shalimarpaints.com
6.	Financial year reported	2021-22
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Paints, Varnishes, Enamels or Lacquers (20221)
8.	List three key products/services that the company manufactures/provides	<p>The Company is engaged in manufacturing of paints, varnishes, enamels or lacquers. The Company's product categories include interior walls, exterior walls, metal surfaces, wooden surfaces and floors. It's product categories offer emulsions, distempers, primers, putty and cement-based. It is present in coatings and specialty chemicals segments. The Company is present in both the Industrial as well as Decorative Segments.</p> <ul style="list-style-type: none"> • Paints • Varnishes • Enamels or Lacquers
9.	<p>Total number of locations where business activities are undertaken by the Company</p> <p>1) Number of International locations 2) Number of National locations</p>	<p>The Company operates in India, with manufacturing facilities located in Sikandrabad (U.P.), Nashik (Maharashtra) and Chennai (Tamil Nadu).</p> <p>Major sales offices of our company are at: New Delhi - Gurgaon - Siliguri - Kolkata - Cuttack - Patna - Ranchi - Bhiwandi - Nagpur - Pune - Nasik - Indore - Ahmedabad - Haldwani - Jaipur - Ambala - Ghaziabad - Kanpur - Varanasi - Allahabad - Ludhiana - Jalandhar - Jammu - Zirakpur - Cochin - Bangalore - Mangalore - Chennai - Hyderabad - Raipur</p> <p>Apart from India, Shalimar also catered to consumers from Nepal, UAE, Bhutan and Seychelles.</p>
10.	Markets served by the Company Local/State/National/International	<p>The Company is one of the oldest paint companies serving in india with a Legacy of over 100 years. Currently the Company is serving both national and international markets (Seychelles, Nepal, Bhutan & UAE) and has clientele in various sectors including the following:</p>

		<ul style="list-style-type: none"> • Building and construction • Sugar Industry • Airlines • Railways • Dairy • Hotels (Hospitality Industry) • Power
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Section B: Financial Details of the Company

1.	Paid Up Capital (INR)	Rs. 1,444.53 Lakhs
2.	Total Turnover (INR)	Rs. 35,809.60 Lakhs
3.	Total Profit after Taxes (INR)	Rs. 6,384.52 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Not applicable*
5.	List of activities in which the expenditure in 4 above has been incurred	As explained above

* The Company is not mandated under Section 135 of the Companies Act, 2013 to incur expenditure under CSR, but guided by Mr. Ashok Kumar Gupta, Managing Director of the Company, the Company has planned interventions in various fields including education thereby contributing towards communities around which it operates. The Company has also contributed in Covid Relief Funds.

Section C: Other Details

1. Does the Company have any Subsidiary Company/Companies?

Yes, Shalimar Paints Limited has 2 Subsidiaries:

1. Eastern Speciality Paints & Coatings Private Limited; and
2. Shalimar Adhunik Nirman Limited

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No.

3. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)

No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Directors responsible for implementation of the Business Responsibility policy/policies

Name	DIN	Designation
Mr. Ashok Kumar Gupta	01722395	Managing Director

- b) Details of the Business Responsibility Head

DIN Number (if applicable)	01722395
Name	Mr. Ashok Kumar Gupta
Designation	Managing Director
Telephone number	(0124) 4616600
E-mail id	ashok.gupta@shalimarpaints.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

a) Details of Compliance (Reply in Y/N)										
S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for	Y	Y	Y	Y	Y	Y	N*	Y	Y
	At SPL, we currently have policies in place, which directly and indirectly address 8 out of the 9 NVG Principles.									
2.	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N*	Y	Y
	All the policies have been formulated in consultation with the relevant stakeholders of the Company.									
3.	Does the policy conform to any National /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	N*	Y	Y
	The policies are in line with the applicable national and international standards and compliant with the principles of the National Voluntary Guidelines issued by the Ministry of Corporate Affairs, Government of India.									

4	Has the policy been approved by the Board? If yes, has it been signed by the MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		All SPL's existing policies have been approved by the Board and signed by relevant authorities								
5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	The policies are implemented under the directions of Board/Managing Director.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com . Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com . Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		Yes, the Company has necessary structure in place to implement the policies.								
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	Yes, the Company has necessary grievance redressal mechanism, to address stakeholders' grievances related to the policies.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		Yes, the policies are evaluated internally.								

* Currently, SPL does not have a formal policy in place to address public advocacy (P7 of NVG). However, it is our belief that our Code of Conduct does cover aspects of Responsible advocacy of public policy, like ethics and integrity.

b) If answer against any principle, is 'No', please explain why: Currently, SPL does not have a formal policy in place to address public advocacy (P7 of NVG). However, it is our belief that our Code of Conduct does cover aspects of Responsible advocacy of public policy, like ethics and integrity.

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

SPL assesses its BR performance annually.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

SPL publishes Business Responsibility Report, as and when it is applicable to the Company. These reports are on Company's website: <https://www.shalimarpaints.com/investors-relations/annual-reports>

Section E: Principle Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, all employees/ stakeholders of SPL are subjected to work within the boundaries of this policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaint was received during the past financial year related to ethics, transparency and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

- 1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

Not applicable

- 2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.**
 - (i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?**
 - (ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

Shalimar Paints have four manufacturing facilities, out of which 3 plants are currently in operation. All the existing manufacturing facilities continued their efforts to reduce the specific energy consumption. Systems to track and trend energy consumption, with respect to Power purchased from grid, inhouse generation from DG, fuel used etc., on a continuous basis are in place along with mapping of energy norms at individual machine, product, and individual block and at factory level. Internal benchmarking practices on energy performance, comparing the relative performance between plants has helped us in sharing the good practices amongst different plants.

The process of Energy audit across all critical operations at regular intervals has been instituted and the findings of the audits are implemented on regular basis. Engagement with external functional experts in the field of Energy Conservation and Manufacturing Efficiency has helped us in understanding the gaps and implementing the best practices aimed at being more efficient in our Manufacturing process.

Process standardization & Batch cycle time reduction initiatives are regularly undertaken to reduce the energy consumption in all our manufacturing plants. We continue to work on debottlenecking few operations to help us to operate at higher throughput rate, thus in turn reducing specific energy consumption.

Efforts have been put consistently year on year to optimize the use of energy consumption in production processes and operation of utilities.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.**

Yes , the Company has procedures in place for sustainable sourcing. Approx 90% of the sourcing is from our own manufacturing Plants and only 10% items are from suppliers. For these items too, we have fixed transport contracts from Vendor's ends to our plants.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

Yes, the Company procures some goods and services from local and small producers around our manufacturing facilities. These smaller producers are regularly given feedback on their quality of goods and as well as their On Time performance.

- 5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

There is no mechanism to recycle products and waste. It is disposed off as scrap as per the applicable rules.

Principle 3: Businesses should promote the wellbeing of all employees

- 1. Please indicate the total number of employees**

420 employees

- 2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.**

40 (Contract Retainers)

- 3. Please indicate the number of permanent women employees.**

35 employees

- 4. Please indicate the number of permanent employees with disability.**

None

- 5. Do you have an employee association that is recognized by management?**

None

- 6. What percentage of your permanent employees are a member of this recognized employee association?**

None

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

During the year, no complaint relating to child labour, forced labour, involuntary, labour and sexual harassment was received by the Company.

- 8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

In Shalimar, we place high importance on the safety of our employees and to ensure this, 100% of our employees received health and safety training.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

Engaging Stakeholders - Sustaining Value

Ours is an inclusive model where we value each and every stakeholder and their opinion matters to us. At Shalimar, we believe in transparent dialogue where anyone should be able to voice their opinions; that they should be listened to; and that they can expect a considered and constructive response.

- 1. Has the Company mapped its internal and external stakeholders? Yes/No**

Yes, the Company has conducted a mapping exercise, from which we have classified our stakeholders into the following categories - Investors, Shareholders, Employees, Local Communities (including vulnerable groups such as indigenous communities, women and persons with disabilities), Civil society (including Non-Governmental Organisations) NGOs, legal institutions, trade associations, media, suppliers, business partners, customers, dealers, regulatory bodies and competitors. Engagement responsibility for each stakeholder group is entrusted with specific teams in our Company.

- 2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?**

Yes, we have identified disadvantaged, vulnerable and marginalised stakeholders and it is an on-going process. Through our CSR programs we have focused on the development of underprivileged and people from low income group in our nearby communities. We have also worked for visually impaired kids, to bring colours to the lives of these kids; we painted the recovery rooms of the eye hospital with the colorful murals.

- 3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.**

Yes, we are engaged with the disadvantaged, vulnerable and marginalised stakeholders through various programs. Focus has been given to people from low-income group and special skill training programs have been developed for them by the Company to make it effective and fruitful.

Principle 5: Businesses should respect and promote human rights

Promoting Human Rights

At Shalimar Paints Limited, we respect human rights and the policy is embedded in our Company's Code of Conduct. Our Human Rights Policy is aligned to the UN Guiding Principles on business and Human Rights and includes strict prohibition of child or forced labour – either directly or through contract labour. Additionally, our Code of Business Conduct and Ethics (Code) commits us to comply with all relevant national laws and regulations, underpinning our approach to protecting the fundamental rights of all our direct and indirect employees. Human rights training is an integral part of our Sustainable Development Framework implementation and is covered through training on Code of Business Conduct and Ethics.

- 1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?**

Human Rights policy is aligned to the UN Guiding Principles on Business and Human Rights and is a mandate for all of its employee's. Further it also encompasses all its suppliers, contractors and NGOs. We have rolled out the implementation of UK Modern Slavery Act, 2015 across our suppliers and vendors in order to mitigate risk of slavery (subset of Human Rights) across the supply chain.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

We have established & implemented Environment policy to safeguard Environmental damage. A process is maintained for improving Environment Management System to ensure complete satisfaction & value creation to all stake holders. We take every step to measure possible in managing environment related activities as per ISO: 14001:2015.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

No

3. Does the company identify and assess potential environmental risks? Y/N

No

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

None

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Not Applicable

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Not Applicable

Principle 8: Businesses should support inclusive growth and equitable development

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

At Shalimar, we believe in Inclusive growth of the marginalized stakeholders. We are committed to add value to the local stakeholders wherever we operate. This may be through employment, trade development, enhanced infrastructure, or greater well-being and empowerment. Our community investment strategy focuses on health, education, livelihoods and environment. We are constantly working towards the developmental needs of the underprivileged communities through our CSR programs to create an inclusive and equitable society. Education, skilling, women's empowerment, water, health and agriculture/livestock continue to be our priority areas. Consistent with our Sustainable Development Model of drawing on global best practice, our community investment approach is being aligned to the UN Sustainable Development Goals. We firmly believe in the power of partnerships and follow a Public-Private-People-Partnership (4P's) model. This is in keeping with our commitment towards co-creation, inclusion and community ownership of social initiatives.

As a responsible corporate citizen, the Company focusses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on upliftment of underprivileged, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in keeping with the national and international development agendas.

2. Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

We implement our programs through all the following modes - directly through our Corporate Social Responsibility team and in partnership with government and civil society organizations. We also actively encourage our own employees to contribute towards these social initiatives.

3. Have you done any impact assessment of your initiative?

Yes, we assess the impact created by our projects by engaging external agencies at periodic intervals.

4. What is your Company's direct contribution to community development projects- Amount in and the details of the projects undertaken?

Since there were no profits (calculated in accordance with the provisions of Section 198 of the Companies Act, 2013) during last three financial years, therefore the Company is not mandated under Section 135 of the Companies Act, 2013 to incur expenditure on CSR for the financial year 2021-22. However, being guided by Mr. Ashok Kumar Gupta, Managing Director of the Company,

the Company has planned interventions in various fields including education contributing towards communities around which it operates.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

Most of our programs emerge from a community needs assessment and are delivered in close partnership with them. For the successful implementation and adoption of our initiatives, we consult and engage with all appropriate stakeholders, right from the inception of the projects. Communities are also involved at every step of these programs. Our role is chiefly that of a catalyst in the whole process.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No such complaints in legal department's records.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)**

We display product information on the product label to the extent as local laws permit us.

- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

No such case in legal department's records.

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes