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SHALIMAR
PAINTS
SINCE 1902

ANNUAL REPORT
2023-24

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DR. RAJEEV UBEROI

Chairman

Dear Shareholders,

It is with great pride that I address you today, reflecting on the illustrious journey and continued ascent of Shalimar Paints, the oldest and most revered paint company in India. Our legacy is interwoven with the very fabric of this nation, as Shalimar Paints has long played a pivotal role in safeguarding the nation's most iconic structures - from the majestic Howrah Bridge to the venerable Rashtrapati Bhavan, from the intricate systems of nuclear power installations to the sprawling networks of railways, power plants, and refineries. Most recently, we had the distinct honor of protecting the world's highest rail bridge over the Chenab River, demonstrating the resilience of our coatings in environmental conditions ranging from -20°C to +45°C.

Today, Shalimar Paints is embarking on a new chapter of excellence, redefining our role not just as providers of paints and coatings, but as partners in asset preservation. Your Company is now collaborating closely with asset owners to extend the lifespan of their assets by offering tailored product recommendations and specialized application training by our NACE-certified coating experts. Our commitment to sustainability drives us to work hand-in-hand with industry and academia, developing innovative and environmentally conscious solutions to address potential corrosion challenges.

The year 2023-24 began on a strong note, with Shalimar Paints achieving significant milestones. For the first time in a decade, we surpassed the Rs. 600 crore mark in revenue on gross basis, registering a net sales growth of 10% and gaining market share in both the decorative and industrial sectors, a testament to our strategic focus on refining internal and external processes to meet customer demands with exceptional efficiency and timeliness.

Our commitment to innovation is exemplified by our significant investments in research and development. In FY 2023-24, your Company achieved a significant milestone with the completion of its State-of-the-Art R&D facility at Nashik, a project that began in the previous financial year with the vision of positioning Shalimar Paints among the top five companies in India's paint industry. Over the past two years, these investments have enabled us to launch 14 new products. Our Research and Design team, in close collaboration with our esteemed vendors, ensures that our final products not only meet but exceed customer expectations while minimizing the use of hazardous substances and reducing greenhouse gas emissions.

Our state-of-the-art R&D center in Nashik is dedicated to achieving the highest international standards of product quality through continuous innovation and has enhanced our capabilities to innovate and improve on the basket of products as well as improvement in recipe of existing products. We are focused on developing sustainable, eco-friendly coatings that extend the lifespan of critical assets - from metal pipes to plant machinery, national infrastructure, construction equipment, ships, and buildings - all while prioritizing environmental protection.

Your Company has undertaken automation and infrastructure development across all three plants. These investments have been mainly towards reducing wastages, improving throughput and quality. These enhancements will bring greater accuracy to our product packing processes and significantly improve cycle times, thereby boosting overall efficiency. These strategic investments, along with our comprehensive quality improvement plan, underscore our commitment to maintaining our competitive edge and delivering superior value to our stakeholders.

At Shalimar Paints, we recognize that our employees are the cornerstone of our success. We are committed to creating a dynamic workplace that fosters engagement, motivation and development ensuring that our team members grow alongside the company. Comprehensive benefits and a supportive work environment promote employees' personal as well as professional well-being.

At Shalimar Paints, Information Technology is the backbone of our organization's functioning and growth. In this digital era, our commitment to innovation and efficiency through IT is stronger than ever. By leveraging the latest technologies, your Company is enhancing its operational capabilities, streamlining processes using Warehouse Management, Gate Entry System & Transport Management System, delivering better services to customers through SFA & Complaint redressal system, gaining the confidence of influencers through loyalty program and empowering its teams to work more effectively through sales force automation, automated sales planning system & analytics through Business Intelligence Tool. All this has given your Company the competitive advantage. As we continue to invest in cutting-edge solutions, we remain focused on fostering a culture of continuous improvement and digital transformation.

In FY 2023-24, with an unwavering commitment to aligning our offerings with the ever-evolving needs of our consumers, we undertook extensive market research to delve into their thought processes and preferences. The insights garnered from this endeavor have served as the cornerstone of our strategy for building the new SHALIMAR 2.0.

This year also marked our entry into the premium segment with the launch of the Hero brand, accompanied by the introduction of premium enamels. We are deeply gratified by the warm reception these products have received from both consumers and channel partners, affirming our belief in their enduring value.

As we look ahead, I want to express my heartfelt gratitude to our shareholders, investors, employees, bankers, customers, vendors, and business associates for their unwavering trust and belief in Shalimar Paints. It is my sincere hope that our bond will only grow stronger as we journey together towards a future filled with promise and prosperity.

May the upcoming festive season bring joy, prosperity, and new opportunities for us all.

Thank you,

Dr. Rajeev Uberoi

DECORATIVE PAINTS

SIGNATURE
INTERIOR LUXURY EMULSION

The toughness of pure acrylic binders forfeited with fluoro polymers impart high level of inertness giving a long-lasting, luxurious and stain-free finish. Signature Luxury Emulsion has superior Bacterial and Fungus Resistance.

WEATHER PRO+
EXTERIOR SUPER PREMIUM EMULSION

A water-based Super Premium 100% acrylic exterior emulsion with silicon additives that safeguard your walls from extreme weather conditions like rain, humidity & heat. It reflects sun rays to help reduce heat build-up, blocks out damaging ultraviolet rays & prevent algal & fungal formation on walls.

HERO
SUPER PREMIUM INTERIOR EMULSION

Hero Super Premium Interior Emulsion paint that combines a host of cutting-edge features, setting it apart from traditional options in the market. It offers Best in class Washability, Active stain guard technology, Zero VOC Assurance, Anti-Viral formula with Silver Ion technology and comes with tintatable bright color with high Sheen

XTRA TOUGH
EXTERIOR SUPER PREMIUM EMULSION

Formulated with special additives and fine pigments to provide rich finish with anti-fading/ anti-flaking property. It has superior Algae and Fungal resistance. Pure Acrylic Emulsion technology with silicon additives. It's tough and durable film effectively withstands in all weather conditions.

INDUSTRIAL PAINTS

PROTECTIVE COATINGS

For over a century, Shalimar Paints has been in the business of protecting & enhancing effective service life of plant & machinery and national infrastructure with its TUFFKOTE range of high-performance coatings & services. Meeting the highest level of international standards, through a process of innovation & continued improvements, we not only meet but exceed the requisite legislation of both business & environment.

CAN COATINGS

We are the leading coating manufacturer & supplier in the organised paints and metal packaging segments in India. Our products can be easily found everywhere - from food cans to metal closures, to PP caps and paint cans etc.

MARINE COATINGS

Shalimar Paints is known for its century-old know-how and expertise in Marine requirements. We have supplied paints for M.V. Rani Padmini, the first vessel with carrying capacity of 76000 DWT, built in Cochin Shipyard. We have various products in the marine segment:

- Antifouling paint for boats
- Marine structures above ground
- Full range of fishing trawlers

PIPELINE COATINGS

Our range offers innovative products that are not only dependable in most extreme conditions but also provides aesthetic look. It offers continuous protection against internal & external corrosion whether the pipes are insulated, submerged, or buried. It offers excellent cathodic protection, chemical/water resistance in line with various global standards. All our products are WRAS (BS6920)/NSF 61 certified and are manufactured under stringent quality standards and control.

TUFFKOTE

Protecting National Assets Since 1902

For over a century, Shalimar Paints has been in the business of protecting national assets by enhancing effective service life of plants & machinery with its TUFFKOTE range of high-performance coatings such as high-build zinc coatings, polyurethane paint for railway coaches, etc.

Backed with ingenious R&D expertise and international certifications, we have proved to be a dependable partner to our clients in Oil & Gas, Pipe Coatings, Power Projects, Sugar, Paper & Pulp Industries, Chemicals, Fertilizers, Agriculture, Packaging and OEMs.

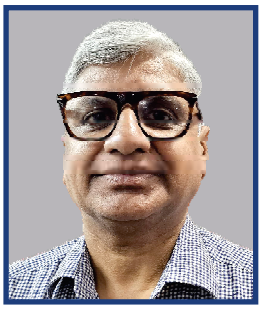
BOARD OF DIRECTORS

Dr. Rajeev Uberoi
Chairman /
Independent Director

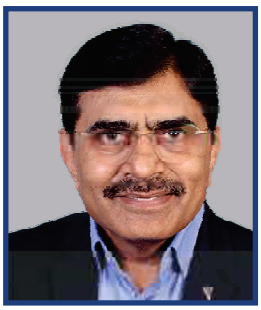
Mr. Aaditya Gajendra Sharda
Non-Executive Director

Mr. Souvik Pulakesh Sengupta
Non-Executive Director

Mr. Venugopal Chetlur
COO & Whole-time
Director



Mr. Atul Rasiklal Desai
Independent Director



Mr. Sanjiv Garg
Independent Director

Ms. Shan Jain
Independent Director

Mr. Vijay Kumar Sharma
Independent Director

Information as on August 08, 2024

CORPORATE INFORMATION

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

Corporate Office
1st Floor, Plot No. 28, Sector - 32, Gurugram,
Haryana - 122001

Consortium Member Banks
State Bank of India
Punjab National Bank
Union Bank of India
HDFC Bank Ltd

Statutory Auditors
Walker Chandiok & Co. LLP

Company Secretary & Compliance Officer
Ms. Shikha Rastogi

Registrar & Transfer Agents
Beetal Financial & Computer Services Pvt Ltd.
Beetal House, 3rd Floor,
99, Madangir, Behind LSC, New Delhi - 110062
Ph. 011-29961281-283 , 26051061, 26051064
Fax 011-29961284
Email : beetalrta@gmail.com

Corporate Identification Number
L24222HR1902PLC065611

Website
www.shalimarpaints.com

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611

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

Corporate Office: 1st Floor, Plot No. 28, Sector - 32, Gurugram, Haryana - 122001

Website: www.shalimarpaints.com; **E-mail Id:** askus@shalimarpaints.com

Phone: 0124-4616600; **Fax:** 0124-4616659

Notice of the 122nd Annual General Meeting

NOTICE is hereby given that the **122nd Annual General Meeting** of the Members of **SHALIMAR PAINTS LIMITED** ("the Company") will be held on **Friday, September 27, 2024** at **12:30 P.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a) the audited standalone financial statements of the Company for the financial year ended on March 31, 2024 together with the Reports of the Board of Directors and the Auditors thereon; and
   b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2024 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Aaditya Gajendra Sharda (DIN: 07024283), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Vijay Kumar Sharma (DIN: 01468701) as Non-Executive Independent Director of the Company**

   To consider and, if thought fit, to pass the following resolution, as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Vijay Kumar Sharma (DIN: 01468701), who was appointed by the Board of Directors upon recommendation by the Nomination and Remuneration Committee of the Company as an Additional Director (in the category of Non-Executive Independent Director) of the Company with effect from July 23, 2024 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company, whose term shall not be liable to retire by rotation, to hold office for a term of three (3) consecutive years on the Board of the Company from July 23, 2024 to July 22, 2027.

   RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorised to file all such necessary e-forms with the Registrar of Companies and to intimate any other authority, if required and to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be necessary or expedient to give effect to this resolution."

4. **Appointment of Mr. Venugopal Chetlur (DIN: 08686707) as Director of the Company**

   To consider and, if thought fit, to pass the following resolution, as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Sections 152, 161 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Venugopal Chetlur (DIN: 08686707), who was appointed by the Board of Directors upon recommendation by the Nomination and Remuneration Committee of the Company as an Additional Director w.e.f. July 23, 2024 and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

5. **Appointment of Mr. Venugopal Chetlur (DIN: 08686707) as Whole-time Director (designated as 'Chief Operating Officer & Whole-time Director') of the Company**

To consider and, if thought fit, to pass the following resolution, as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Rules made thereunder read with Schedule V to the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Articles of Association of the Company and pursuant to the recommendations of Nomination and Remuneration Committee and the Board of Directors of the Company and subject to all requisite consents / approvals as may be required, the consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Venugopal Chetlur (DIN: 08686707) as Whole-time Director (designated as 'Chief Operating Officer & Whole-time Director') of the Company under the category of Key Managerial Personnel of the Company, for a period of three (3) consecutive years with effect from July 23, 2024 at remuneration and other terms and conditions as mentioned below:

1. Period of appointment: Three (3) consecutive years with effect from July 23, 2024 till July 22, 2027.
2. Remuneration:
    a) Fixed Pay (inclusive of basic salary, perquisites and allowances): Rs. 2 Crore per annum, payable on monthly basis [with liberty to the Board of Directors / Nomination and Remuneration Committee to review and set the level from time to time subject to a maximum of Rs. 3 Crore per annum].
    b) Variable Pay: Performance Linked Variable Pay to be paid as per the applicable policies and rules of the Company or such sums as may be determined by the Board of Directors / Nomination and Remuneration Committee and Employee Stock Options, if any, to be granted from time to time.
    c) Other benefits: Other benefits as per the applicable policies and rules of the Company.
    d) Entitlement for Company's Car for official purposes and benefits under Company's Mediclaim Policy.
3. He shall be entitled to reimbursement of all expenses incurred by him while performing his duties and such reimbursement will not form part of his remuneration.
4. The premium paid by the Company for Directors' & Officers' Liability Insurance will not be treated as part of the remuneration payable to him, in terms of Section 197(13) of the Act.
5. He shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
6. He shall be liable to retire by rotation. However, retirement by rotation and re-appointment shall not be deemed to be a break in service as Whole-time Director of the Company.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits under Section 197 of the Act in any financial year or years, the remuneration as approved herein be paid as minimum remuneration to Mr. Venugopal Chetlur, subject to receipt of requisite approvals under the Act.

RESOLVED FURTHER THAT the Board of Directors and/or Nomination and Remuneration Committee of Board of Directors be and is hereby authorized to vary and/or revise the remuneration of Mr. Venugopal Chetlur, within the aforesaid limits and settle any question or difficulty in connection therewith and incidental thereto.

RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorised to file all such necessary e-forms with the Registrar of Companies and to intimate any other authority, if required and to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be necessary or expedient to give effect to this resolution."

6. **Ratification of remuneration of Cost Auditors of the Company**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212), who were appointed by the Board of Directors, upon the recommendation of the Audit Committee, as Cost Auditors, to audit the cost records of the Company for the financial year 2024-25, amounting to Rs. 2,00,000/- (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be deemed necessary, proper or expedient to give effect to this resolution."

By order of the Board
For **Shalimar Paints Limited**

Place: Gurugram
Date: August 22, 2024

Shikha Rastogi
Company Secretary & Head - Legal
Membership No. A18226

Notes:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the "Act") setting out all material facts concerning Special Businesses to be transacted at the Annual General Meeting ("AGM" / "Meeting") is annexed hereto and forms part of this Notice.
2. In accordance with the provisions of the Act read with the Rules made thereunder and General Circular No. 09/2023 dated September 25, 2023, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, and Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023 issued by SEBI ("the Circular"), companies are allowed to hold AGM through video conference / other audio visual means ("VC / OAVM") upto September 30, 2024, without the physical presence of members. The 122nd AGM of the Company is being conducted through VC / OAVM, without the physical presence of the members at a common venue. The detailed procedure for participating in the Meeting through VC / OAVM Facility is mentioned hereunder in this Notice. The deemed venue for the AGM shall be the Registered Office of the Company viz. Stainless Centre, 4th Floor, Plot No. 50, Sector-32, Gurugram, Haryana-122001.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 of the Act will not be available for the AGM. However, in pursuance of Section 112 and 113 of the Act, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM on their behalf and participate thereat and cast their votes through remote e-voting.
4. Since the AGM will be held through VC / OAVM facility, the Proxy Form, Attendance Slip and Route Map are not annexed hereto.
5. The details of directors retiring by rotation / seeking appointment / re-appointment in the ensuing AGM as required pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("Secretarial Standard - 2"), as applicable, are provided in the Annexure - I to the Explanatory Statement to the Notice.
6. **Dispatch of Notice of AGM and Annual Report through Electronic Mode:**
   i) Pursuant to the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM and the Annual Report for the financial year 2023-24 are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Therefore, Members, whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the soft copy of Notice of the AGM and the Annual Report for the financial year 2023-24 and all other communications sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
      a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, Aadhaar) supporting the registered address of the Member, by email to Beetal Financial & Computer Services Private Limited, Company's RTA at beetal@beetalfinancial.com or at Company's email address: askus@shalimarpaints.com.
      b) For the Members holding shares in demat form, please update your email address with your respective Depository Participant(s) ("DPs").
   ii) Members may also note that the Notice of the 122nd AGM and the Annual Report for the financial year 2023-24 will also be available on the Company's website viz. www.shalimarpaints.com and on the website of the Stock Exchanges where the equity shares of the Company are listed viz. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") at https://www.nseindia.com and https://www.bseindia.com, respectively.
   iii) The Notice of AGM will be sent to those Members / Beneficial Owners electronically, whose name will appear in the Register of Members / List of Beneficiaries received from the depositories as on Friday, August 30, 2024.

iv) Any person who has acquired shares and become member of the Company after the dispatch of this Notice and holding shares as on the cut-off date i.e. Friday, September 20, 2024, may obtain electronic copy of Notice of AGM and the Annual Report by sending a request to the Company or Company's RTA i.e. Beetal Financial & Computer Services Private Limited ("RTA").

7. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 (both days inclusive) for the purpose of AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means in the AGM is Friday, September 20, 2024.

8. Attendance of the Members of the Company, participating in the AGM through VC / OAVM Facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. **Procedure for Voting through Electronic Means (Remote e-Voting):**

i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the businesses to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM. Central Depository Services (India) Limited will be providing facility for voting through remote e-Voting, for participation in the AGM through VC / OAVM Facility and e-Voting during the AGM.

ii) The remote e-voting facility will be available during the following period:

a. Commencement of remote e-voting: From 09:00 a.m. (IST) on September 24, 2024 and end of remote e-voting: Up to 05:00 p.m. (IST) on September 26, 2024;

b. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

INSTRUCTIONS FOR E-VOTING:

Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as amended, the Company is pleased to provide remote e-voting facility to enable the Members to cast their votes electronically on the resolutions mentioned in the Notice of the AGM of the Company to be held on Friday, September 27, 2024. The Company has appointed Mr. Ankush Agarwal, Partner (COP No. 14486) or failing him Mr. Kumar Bhavesh Kishore, Partner (COP No. 11598), of M/s. MAKS & CO., Practicing Company Secretaries (FRN: P2018UP067700), as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner. The list of shareholders / beneficial owners shall be reckoned on the equity shares as on August 30, 2024. The remote e-voting period will commence on September 24, 2024 at 09:00 a.m. (IST) and will end on September 26, 2024 at 05:00 p.m. (IST). During this period, shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2024, may cast their vote electronically. The remote e-voting module shall be disabled by Central Depository Services (India) Limited ("CDSL") for voting thereafter. Once the vote on a resolution is cast by a Member, whether partially or otherwise, it shall not be allowed to change subsequently. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED". Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL METTING ARE AS UNDER:

(i) The remote e-voting period begins on September 24, 2024 at 09:00 a.m. (IST) and ends on September 26, 2024 at 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. September 20, 2024 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 during the meeting.

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 and under Regulation 44 of the SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Login method for Individual shareholders holding securities in demat mode is given below:

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL / NSDL is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with **CDSL Depository**	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & My Easi New (Token) Tab. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & My Easi New (Token) Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders holding securities in demat mode with **NSDL Depository**	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. • Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. • Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. • A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. • Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. • Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. • Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. • Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. • A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password / OTP and a Verification Code as shown on the screen. • After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. • Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DPs)**	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. After Successful login, you will be able to see e-Voting option. 3. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 4. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 21 09911
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at 022 - 4886 7000 and 022 - 2499 7000

Login method for shareholders holding shares in physical mode and non-individual shareholders in demat mode is given below:

(v) Login method for Remote e-Voting and joining virtual meeting for Physical shareholders and shareholders other than individual holding in Demat form:

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on “Shareholders” module.
3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number sent by Company / RTA or contact Company / RTA.
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.

(vi) After entering these details appropriately, click on "SUBMIT" tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) 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.

(xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xv) 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.

(xvi) There is also an optional provision to upload BR / POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote e-Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
- 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 will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, 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.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; askus@shalimarpaints.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC / OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC / OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Only those shareholders, who are present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC / OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL / MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY / DEPOSITORIES:

1. For Physical shareholders - Please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), Aadhaar (self-attested scanned copy of Aadhaar Card) by email to Company / RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 21 09911.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 21 09911.

10. Members may follow the same procedure for e-voting at the AGM as mentioned for remote e-voting. Only those Members who will be attending the AGM through VC / OAVM and have not cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or by e-voting at the AGM.
11. Members, who would like to express their views / ask questions during the Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company at its email address: askus@shalimarpaints.com atleast 2 (two) days prior to AGM i.e. by September 24, 2024 by 05:00 p.m. IST.

    Only those Members who have registered themselves as a speaker will be allowed to express their views / ask questions during the Meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. The members who do not wish to speak during the AGM but have queries may send their queries mentioning their name, DP ID and Client ID number / folio number and mobile number, to reach the Company at its email address: askus@shalimarpaints.com. These queries will be replied to by the company suitably by email.
12. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013, Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, Certificate from Secretarial Auditor of the Company certifying that the ESOP Schemes of the Company have been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to askus@shalimarpaints.com.
13. Equity Shares of the Company are under Compulsory Demat segment. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants ("DPs") in their vicinity for getting their shares dematerialised.
14. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit a self-attested copy of their PAN Card to the Company / RTA.

16. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
17. Non-Resident Indian Members are requested to inform the Company's RTA immediately:
    a) the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with pincode number, if not furnished earlier.
    b) any change in their residential status on return to India for permanent settlement.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
19. Members should quote their Folio No. / DP Id-Client Id, email addresses, telephone / fax numbers to get a prompt reply to their communications.
20. SEBI vide its circular dated July 31, 2023 has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market. In accordance with the said circular, Members, after exhausting the option to resolve their grievances with the RTA / Company directly and through the existing SCORES platform, can initiate dispute resolution through the ODR Portal.
21. The annual accounts and other related documents of the subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the subsidiary companies. The annual accounts of the subsidiary companies would be open and accessible for inspection by shareholder / investor at Corporate Office of the Company and Registered Office of the subsidiary companies on any working day except holidays.
22. The voting rights of the members for remote e-voting and e-voting at the AGM shall be in proportion to the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date, being September 20, 2024. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
23. The Notice of AGM along with the explanatory statement and other related documents are available at the website of the Company. The relevant documents w.r.t. the resolutions shall be open and accessible for inspection by shareholder / investor at the Corporate Office of the Company on any working day except holidays upto the date of the AGM and during the AGM.
24. As per provisions of the Companies Act, 2013 read with relevant rules thereof, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form may obtain Nomination Form No. SH-13 from the Company's RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
25. In case of joint holders attending the Meeting, only the Member whose name appears first will be entitled to vote.
26. The Board of Directors has appointed Mr. Ankush Agarwal, Partner (COP No. 14486) or failing him Mr. Kumar Bhavesh Kishore, Partner (COP No. 11598) of M/s. MAKS & CO., Practicing Company Secretaries (FRN : P2018UP067700), as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
27. The Scrutinizer shall after the conclusion of voting at the general meeting, count the votes cast at the meeting through e-voting and votes cast through remote e-voting and shall make, within 2 working days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and shall submit the same to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
28. The results declared along with the report of the scrutinizer shall be placed on the Company's website at www.shalimarpaints.com and on the website of RTA immediately after the declaration of the results and simultaneously communicated to the Stock Exchanges. Further, the results of the voting shall also be displayed on the notice board of the Company at its Registered Office.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India)

The following Statement sets out all material facts relating to the businesses mentioned under Item Nos. 3, 4, 5 and 6 of the accompanying Notice dated August 22, 2024 and shall be taken as forming part of the Notice.

Item No. 3

Mr. Vijay Kumar Sharma (DIN: 01468701) has earlier served as Non-Executive Independent Director of the Company for a period of three (3) consecutive years w.e.f. October 05, 2020 till October 04, 2023, as approved by the Members of the Company.

As per the recommendation of the Nomination and Remuneration Committee, based on Mr. Vijay Kumar Sharma's skills, rich experience, knowledge, valuable contribution, active participation in the affairs of the Company as Board member, performance during his first term and outcome of performance evaluation of the Independent Directors, the Board of Directors of the Company at their meeting held on July 22, 2024, had appointed Mr. Vijay Kumar Sharma as an Additional Director (in the category of Non-Executive Independent Director) of the Company, to hold office for another term of three (3) consecutive years, w.e.f. July 23, 2024, subject to the approval of members of the Company by way of a special resolution. Mr. Vijay Kumar Sharma shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013 ("the Act").

The Company has received from Mr. Vijay Kumar Sharma (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of section 164 of the Act, (iii) declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), (iv) confirmation that he is not debarred from holding the office of a Director by virtue of any SEBI order or any other Authority, and (v) confirmation in terms of Regulation 25(8) of the SEBI Listing Regulations, that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

In the opinion of the Board, Mr. Vijay Kumar Sharma fulfils the conditions for appointment as an Independent Director of the Company as specified in the Act, the Rules made thereunder and SEBI Listing Regulations and is independent of the management of the Company. The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for appointment as Non-Executive Independent Director of the Company.

The details of Mr. Vijay Kumar Sharma as required pursuant to Regulation 36 of the SEBI Listing Regulations and Secretarial Standard - 2, as applicable, are provided in Annexure - I appended to this Notice. This explanatory statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations and other applicable laws.

A copy of the draft letter for appointment of Mr. Vijay Kumar Sharma setting out the terms and conditions of appointment is available for inspection without any fees by the members at the Corporate Office of the Company during normal business hours on any working day except holidays upto the date of the AGM and during the AGM.

Save and except Mr. Vijay Kumar Sharma to whom the resolution relates and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding, in the resolution as set out at Item no. 3 of the Notice.

The Board considers that his association along with vast knowledge and experience would be of immense benefit to the Company and it will be desirable to avail his services as an Independent Director.

Accordingly, the Board of Directors recommends the resolution as set out at Item No. 3 of the Notice for approval by the members by way of Special Resolution.

Item No. 4 and 5

The Board of Directors of the Company at their meeting held on July 22, 2024, upon the recommendation of the Nomination and Remuneration Committee of the Board of Directors, had appointed Mr. Venugopal Chetlur (DIN: 08686707) as an Additional Director with effect from July 23, 2024 pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") and Articles of Association of the Company. The Board of Directors has also appointed Mr. Venugopal Chetlur as Whole-time Director (designated as 'Chief Operating Officer & Whole-time Director') of the Company under the category of Key Managerial Personnel of the Company, for a period of three (3) consecutive years w.e.f. July 23, 2024, on the terms and conditions as set out in the resolution mentioned at Item No. 5 of the Notice, subject to the approval from the members of the Company and receipt of requisite approvals, if any. His term as Director will be subject to retire by rotation.

In the event of loss or inadequacy of profits in any financial year(s), during the currency of tenure of Mr. Venugopal Chetlur as Whole-time Director, the remuneration as set out in the resolution mentioned at Item No. 5 of the Notice, shall be paid to him as minimum remuneration.

Mr. Venugopal Chetlur satisfies all the conditions set out in Part I of Schedule V to the Act as also conditions set out under Section 196(3) of the Act for being eligible for his appointment and he has given his consent to act as Whole-time Director of the Company. He is also not disqualified from being appointed as Director in terms of Section 164 of the Act. He is also not debarred from holding the office of a Director by virtue of any SEBI order or any other authority.

The resolution read with explanatory statement may be treated as written memorandum setting out the terms of appointment of Mr. Venugopal under Section 190 of the Act.

In terms of Section 160 of the Act, the Company has also received a notice in writing from a member proposing his candidature for the office of Director.

During financial year 2023-24 and current year, the Company has suffered losses and as per the latest available financial statements for FY ended March 31, 2024, the Company has incurred a net loss after tax of Rs. 73.75 Crore.

As per the provisions of Sections 196, 197 read with Schedule V of the Act, as amended from time to time, in case of no profits or inadequacy of profits, the Company can pay managerial remuneration to its directors including Whole-time Director in accordance with the provisions of Schedule V of the Act with the approval of shareholders. Since the Company has suffered losses during the financial year 2023-24 and current year, the consent of the shareholders is being sought by way of requisite resolution as required in respect of payment of remuneration to the above director in the manner and for the period as set out in the resolution at Item No. 5 of this Notice.

As on date, the Company is not in default in payment of dues to any bank or public financial institution or any other secured creditors.

The details of the above said Director as required under provisions of Section II of Part II of Schedule V to the Act, Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard - 2, as applicable, are provided in Annexure - I and Annexure - II appended to this statement. This explanatory statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations and other applicable laws.

Save and except Mr. Venugopal Chetlur to whom the resolution(s) relates and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding, in the resolution(s) as set out at Item no. 4 and 5 of the Notice.

The Board considers that his association along with vast knowledge and experience would be of immense benefit to the Company and it will be desirable to avail his services as Whole-time Director.

Accordingly, the Board of Directors recommends the resolutions as set out at Item No. 4 and Item No. 5 of this notice for the approval of the members of the Company by way of an Ordinary Resolution and Special Resolution respectively.

Item No. 6

Based on the recommendation of the Audit Committee, the Board of Directors of the Company, in its meeting held on August 08, 2024, had appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company, to conduct audit of cost records of the Company for the financial year 2024-25 and subject to ratification by the members, fixed their remuneration at Rs. 2,00,000/- (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Cost Auditors shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same shall be subsequently ratified by the Members of the Company at their Meeting. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2024-25.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item no. 6 of the Notice.

The Board of Directors recommends the resolution as set out at Item No. 6 of the Notice for approval by the members by way of an Ordinary Resolution.

By order of the Board
For **Shalimar Paints Limited**

Shikha Rastogi
Company Secretary & Head - Legal
Membership No. A18226

Place: Gurugram
Date: August 22, 2024

SHALIMAR PAINTS

Annexure - I to the Explanatory Statement of the Notice

ADDITIONAL INFORMATION

Information as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India for Item Nos. 2, 3, 4 and 5

Details of Directors seeking appointment / re-appointment:

Name of Director	Mr. Aaditya Gajendra Sharda	Mr. Vijay Kumar Sharma	Mr. Venugopal Chetlur
Director Identification Number (DIN)	07024283	01468701	08686707
Brief Resume	Mr. Aaditya Gajendra Sharda is the Co-founder of Infra.Market, a con-tech solutions company that is rebuilding the future of construction through innovation and technology. Founded in 2016, Infra.Market is shifting the gears of this highly traditional sector through technology, thereby emerging as one of the fastest-growing unicorns with best-in-class economics and profitability metrics. Mr. Aaditya Sharda oversees cross-functional verticals, including Business Development, Commercial Operations, and deployment of services that impact the lives of customers, partners, and employees. His profile revolves around creating a strong foundation and helming processes and systems to help Infra.Market scale pan-India. Additionally, he drives the vertical integration of both, the operational and strategic teams to deliver an exceptional customer experience, all while determining unconventional pathways toward meaningful growth. Having more than ten years of entrepreneurial experience, he is an expert in identifying and solving complex business problems with incredible agility. Prior to starting Infra.Market, he was a serial entrepreneur in the Construction Sector for many years. He is an alumnus of IIM Ahmedabad. He is a strong believer in leading a balanced life with an equal focus on the career as well as physical and mental fitness.	Mr. Vijay Kumar Sharma is an experienced Leader with close to 40 years' of corporate experience. He has navigated diverse roles in a myriad of areas within the stainless steel and automotive industries, such as corporate affairs, sales, distribution, corporate branding, marketing, business development, strategy formulation, supply chain management, market research, product development, and customer service and outreach. He has also overseen the profitability of the service centre chains of the Jindal Stainless group in India and Spain. His leadership capabilities and expertise in business analytics, innovation, team building, process optimisation, scalable operations, business transformation and organisation development have been an inspiration, as he has led highly successful and motivated teams throughout his tenure. His varied experiences have only served to contribute towards his professional credentials, as he brings a fresh and diversified perspective in everything he does. An able orator and an avid proponent of social media, Mr. Sharma is a regular speaker in premium institutes as well as national and international webinars and conferences. His views on the business landscape resonate with many and are frequently published in various industry magazines. He has been awarded multiple accolades for his contributions to the stainless steel and automotive industries.	Mr. Venugopal Chetlur has 3 decades of rich & varied leadership experience in Organisation Building / Business Development / Brand Management / Sales & Marketing at various levels in some of the most well-known MNC's. He has managed some of the most competitive categories working with Morton Foods Ltd., Umang Dairies Limited, Nippon Paint India, Kansai Nerolac Paints, Godrej Sara Lee, Reckitt Benckiser, Cavin Kare etc. and has demonstrated ability to lead businesses through Brands successfully. He is a good Leader and agile learner with entrepreneurial approach and high empathy levels. He has always gone beyond the treaded path and solved problems. Mr. Venugopal Chetlur holds a bachelor's in Mathematics & Physics and MBA in Marketing.

Name of Director	Mr. Aaditya Gajendra Sharda	Mr. Vijay Kumar Sharma	Mr. Venugopal Chetlur
		Viewed as a leading voice in many spectrums of the business world, he is on the boards of the Indian Iron and Steel Skill Sector Council, JSL Lifestyle and Jindal Stainless Steelways Ltd. He serves as the chairman of the Haryana State Development Council of ASSOCHAM. He also actively participates in various initiatives of apex associations like FICCI, CII, PHDCCI, ISA and ISSDA. Mr. Sharma is also deeply committed to giving back to society and is actively engaged with many NGOs. Mr. Sharma acquired his graduate degree in engineering from Punjab Engineering College, Chandigarh, and MBA from the Faculty of Management Studies, Delhi. He has also pursued specialisations from distinguished institutes such as IIFT, YMCA, AOTS, Aptech and IIM(A).	
Date of Birth (Age in years)	July 29, 1985 (39 Years)	January 22, 1963 (61 Years)	July 02, 1969 (55 Years)
Qualification	Alumnus of KJ Somaiya Arts & Commerce	Graduate degree in engineering from Punjab Engineering College, Chandigarh, and MBA from the Faculty of Management Studies, Delhi. He has also pursued specialisations from distinguished institutes such as IIFT, YMCA, AOTS, Aptech and IIM(A).	Bachelor's in Mathematics & Physics and MBA in Marketing.
Experience and expertise in specific functional area	Entrepreneurial experience in sales, operations and supply chain management of building material products, an expert in identifying and solving complex business problems with incredible agility. Prior to starting Infra.Market, he was a serial entrepreneur in the Construction Sector for many years.	Corporate affairs, sales, distribution, corporate branding, marketing, business development, strategy formulation, supply chain management, market research, product development, and customer service and outreach.	Rich & varied leadership experience in Organisation Building / Business Development / Brand Management / Sales & Marketing at various levels in some of the most well-known MNC's.
Terms and conditions of appointment/ re-appointment	Re-appointment of Mr. Aaditya Gajendra Sharda, Non-Executive Non-Independent Director, as a Director liable to retire by rotation	Please refer to the resolution and explanatory statement mentioned at Item No. 3 of this Notice	Please refer to the resolution(s) and explanatory statement mentioned at Item No. 4 and 5 of this Notice

Name of Director	Mr. Aaditya Gajendra Sharda	Mr. Vijay Kumar Sharma	Mr. Venugopal Chetlur
Details of remuneration to be sought and remuneration last drawn (Financial Year 2023-24)	Nil	Except for sitting fees paid for attending the Board / Committee meeting(s), Mr. Vijay Kumar Sharma will not be paid any remuneration during his term as Director.	The details of remuneration to be paid to Mr. Venugopal Chetlur are specified in the resolution as set out at Item no. 5 of this Notice. Since, Mr. Venugopal Chetlur has been appointed on the Board as Whole-time Director w.e.f. July 23, 2024, hence details regarding past remuneration is not applicable.
Date on which first appointed on the Board	April 11, 2024	October 05, 2020*	July 23, 2024
Details of shareholding in the Company as on June 30, 2024	Nil	Nil	Nil
Shareholding as a beneficial owner as on June 30, 2024	Nil	Nil	Nil
Relationship with other Directors/Key Managerial Personnel ("KMP") (if any)	Mr. Aaditya Gajendra Sharda is not related to any Director or KMP of the Company.	Mr. Vijay Kumar Sharma is not related to any Director or KMP of the Company.	Mr. Venugopal Chetlur is not related to any Director or KMP of the Company
Number of Board Meetings attended during the year 2023-24	Not Applicable	3 (Three)*	Not Applicable
Details of Directorships / Committee Chairmanship and Memberships in other companies as on June 30, 2024	**Directorships:** • Hella Infra Market Private Limited ("HIMPL") • Hella Infra Market Retail Private Limited • Hella Chemical Market Private Limited • Sociam Equipment Solutions Private Limited • RDC Concrete (India) Private Limited • Hella Infra Market Ceramics Private Limited • Hella Infra Market Metal Private Limited • Hella Infra Market Wood Products Private Limited • Hella Infra Market Pipes & Fittings Private Limited • Hella Infra Market Steel Private Limited **Committee Chairmanships/ Memberships**: HIMPL: • CSR Committee - Member	**Directorships**: • Jindal Stainless Steelway Limited ("JSSL") • Jindal Lifestyle Limited ("JLL") • Pacific Metallic Trading Company Private Limited **Committee Chairmanships/ Memberships**: JSSL: • Audit Committee - Chairman • Nomination and Remuneration Committee - Member • CSR Committee - Member JLL: • Audit Committee - Chairman • Nomination and Remuneration Committee - Chairman	Nil

Name of Director	Mr. Aaditya Gajendra Sharda	Mr. Vijay Kumar Sharma	Mr. Venugopal Chetlur
Name of the listed entities from which the director has resigned during the past three years	Nil	Nil	Nil
The skills and capabilities required for the role and the manner in which the proposed person meets such requirement	Not Applicable	The Nomination and Remuneration Committee ("NRC") of the Board of Directors has identified amongst others, exposure in navigating market dynamics, leading teams, and adapting to industry complexities as the skills and capabilities for the role. Considering the educational background and experience of leadership across various functions in corporates, Mr. Vijay Kumar sharma meets the requirements as laid down by the NRC.	Not Applicable
Performance evaluation report or summary thereof	Not Applicable	Please refer to the explanatory statement for Item No. 3 of this Notice.	Not Applicable

*Mr. Vijay Kumar Sharma has earlier served as Non-Executive Independent Director of the Company for a period of 3 consecutive years w.e.f. October 05, 2020 till October 04, 2023.

SHALIMAR PAINTS

Annexure - II to the Explanatory Statement of the Notice

Statement pursuant to the provisions of Section II of Part II of Schedule V to The Companies Act, 2013 with respect to Item No. 5 of the Notice:

<table>
<tr><th>S. No.</th><th>Description</th><th>Remarks</th></tr>
<tr><td>I</td><td colspan="2">General Information</td></tr>
<tr><td>1.</td><td>Nature of Industry</td><td>Your Company is engaged in manufacturing of Paints.</td></tr>
<tr><td>2.</td><td>Date or expected date of commencement of commercial production</td><td>Your Company is already in commercial production.</td></tr>
<tr><td>3.</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td>Not Applicable</td></tr>
<tr><td>4.</td><td>Financial performance based on given indicators</td><td>
<table>
<tr><th rowspan="2">Financial Parameters</th><th colspan="3">Financial Year ended (Rs. in Crore)</th></tr>
<tr><th>March 31, 2024</th><th>March 31, 2023</th><th>March 31, 2022</th></tr>
<tr><td>Total Income</td><td>543.08</td><td>491.02</td><td>363.13</td></tr>
<tr><td>Profit / (Loss) before Tax</td><td>(73.75)</td><td>(36.10)</td><td>(60.56)</td></tr>
<tr><td>Profit / (Loss) after Tax</td><td>(73.75)</td><td>(36.10)</td><td>(59.97)</td></tr>
<tr><td>Total Comprehensive Income</td><td>(73.69)</td><td>(35.65)</td><td>(61.80)</td></tr>
</table>
</td></tr>
<tr><td>5.</td><td>Foreign investments or collaborators, if any.</td><td>There are no foreign collaborators in your Company. Total shareholding of NRIs, foreign institutional investors, non-resident Indians etc. as on June 30, 2024, stands at approx 0.36%.</td></tr>
<tr><td>II</td><td colspan="2">Information about the Appointee</td></tr>
<tr><td>1.</td><td>Background details, Recognition or awards</td><td>Mr. Venugopal Chetlur has 3 decades of rich & varied leadership experience in Organisation Building / Business Development / Brand Management / Sales & Marketing at various levels in some of the most well-known MNC's. He has managed some of the most competitive categories working with Morton Foods Ltd., Umang Dairies Limited, Nippon Paint India, Kansai Nerolac Paints, Godrej Sara Lee, Reckitt Benckiser, Cavin Kare etc. and has demonstrated ability to lead businesses through Brands successfully. He is a good Leader and agile learner with entrepreneurial approach and high empathy levels. He has always gone beyond the treaded path and solved problems. Mr. Venugopal holds a bachelor's in Mathematics & Physics and MBA in Marketing.</td></tr>
<tr><td>2.</td><td>Past remuneration</td><td>Mr. Venugopal Chetlur has been appointed on the Board as Whole-time Director w.e.f. July 23, 2024, hence no such detail is applicable.</td></tr>
<tr><td>3.</td><td>Job Profile and his suitability</td><td>Mr. Venugopal Chetlur is the Whole-time Director (designated as 'Chief Operating Officer & Whole-time Director') of the Company. He has also been appointed as Occupier of factories of the Company under the relevant laws. Taking into account, Mr. Venugopal's qualifications, his extensive experience and the responsibilities shouldered by him, he has been entrusted with the powers to manage and lead the Company and the Board considers his appointment to be in the best interests of the Company.</td></tr>
<tr><td>4.</td><td>Remuneration proposed</td><td>The details of remuneration to be paid to Mr. Venugopal Chetlur are specified in the resolution as set out at Item no. 5 of this Notice.</td></tr>
</table>

S. No.	Description	Remarks
5.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The proposed remuneration paid to Mr. Venugopal Chetlur is in line with the Nomination and Remuneration Policy of the Company. The Nomination and Remuneration Committee perused remuneration packages of managerial persons in the paint industry and other companies comparable with the size of the Company, industry benchmarks in general, profile and responsibilities of Mr. Venugopal Chetlur, before approving the remuneration as proposed herein before and the same is reasonable in comparison with the remuneration packages paid to his similar counterparts in other companies in the paint industry, as per the information available in public domain.
6.	Pecuniary relationship directly or indirectly with the Company	Besides the remuneration proposed herein, Mr. Venugopal Chetlur does not have any material pecuniary relationship, directly or indirectly, with the Company.
7	Relationship with the managerial personnel or other Director, if any.	Mr. Venugopal Chetlur is not related to any Director or Key Managerial Personnel of the Company.
III	**Other Information**	
1.	Reasons of loss or inadequate profits	There were two fire incidents in Howrah Plant and Nashik Plant in 2014 and 2016 respectively, which caused a significant disruption in the production and consequently on the market serviceability. Due to this, Shalimar experienced a sharp drop in topline and has been in losses since then. Post involvement of Infra.Market in 2022, a turnaround strategy was worked out for Shalimar, inter-alia, including as under: a. Modernization and de-bottlenecking of production process, thereby reducing cost, improving quality and operational efficiency. b. Market expansion through extending the reach to more dealers. More feet on the ground to improve service and thereby targeting a higher topline. c. Expansion of depot network to enable faster and efficient service to channel. Currently, the above strategy is un-folding. The Company has done capital expenditure of approx. Rs. 40 to Rs. 50 crore from own funds. Strengthening of sales team has caused a spike in the employee's cost. Expansion of the depot's network has increased supply chain cost, till a break-even volume per depot is reached. Since the resultant topline has not yet been achieved, the current P&L is showing losses.
2.	Steps taken or proposed to be taken for Improvement	Since last 2 years, the Company is pursuing an aggressive growth strategy. The topline has grown at a CAGR of 18% which is more than twice the Industry growth rate. However, in order to achieve a sustainable and aggressive growth, the Company is working on following fronts: a. Investing in branding & marketing activities to create product pull. b. Conscious effort to shift product portfolio from Industrial business (B2B) to Decorative segment (B2C). c. Addition of new products to existing portfolio thereby offering a complete basket of products to the market. d. Focussing on products with higher margins. e. Investing in modernisation & debottlenecking capital expenditure - thereby enhancing production output. f. Shift from manual to automated process in manufacturing. g. Reduction in material cost wastage / improvements in yield. As part of the above strategy, Company has invested in manpower to expand the channel network and reach. This has impacted the operating spends and current profitability due to increase in employee cost. However, since there will be lag between these investments vis-à-vis the resultant revenue, the current P&L will reflect losses. We are confident that over the next 1.5 to 2 years, this strategy will yield benefits in terms of improved topline and margins.

S. No.	Description	Remarks
3.	Expected increase in productivity and profit inmeasurable terms	With the introduction of automatic filling & packaging lines, we are expecting improvement in the manufacturing throughput. This will help in reducing conversion cost and will give higher productivity. Raw Material storage tanks will enable buying efficiency. All this may reduce costs to the tune of 3% to 5% of Sales. However, in the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As mentioned above, the Company is taking various efforts to increase its productivity and the management is confident of increase in revenue and generation of profits in coming years. The Company is already on the road to sustainable growth.
Parameters for consideration of remuneration		
1.	The financial and operating performance of the company during the three preceding financial years	The detailed balance sheet, profit & loss account and other financial statements formed part of the Annual Reports for the respective financial years which are available on the website of the Company at www.shalimarpaints.com
2.	The relationship between remuneration and performance	Please refer the details provided in Point 4 as mentioned below.
3.	Whether remuneration policy for director differs from remuneration policy for other employees and if so, an explanation for the difference.	The Company has a separate Remuneration Policy for Board of Directors, Key Managerial Personnel and Senior Management. The Board on the recommendation of the Nomination and Remuneration Committee reviews and approves the remuneration payable to the Directors within the overall limits approved by the shareholders of the Company.
4.	The principle of proportionality of remuneration within the company, ideally by a rating methodology which compares the remuneration of directors to that of other directors on the board who receives remuneration and employees or executives of the company.	The proposed remuneration paid to Mr. Venugopal Chetlur is in line with the Nomination and Remuneration Policy of the Company and has been approved by the Nomination and Remuneration Committee considering the fact that he is highly experienced and the same is reasonable in consideration of the responsibilities shouldered by him.
5.	The securities held by the director, including options and details of the shares pledged, if any	Nil
IV.	**Disclosures**	The disclosures on remuneration package of all the directors and details of all elements of remuneration package, details of fixed components & performance linked incentives, performance criteria, service contracts, notice period, severance fees, stock option details, on the basis of applicability, are disclosed in the Report on Corporate Governance and Board's Report forming part of this Annual Report for the financial year 2023-24.

By order of the Board
For **Shalimar Paints Limited**

Place: Gurugram
Date: August 22, 2024

Shikha Rastogi
Company Secretary & Head - Legal
Membership No. A18226

Management Discussion and Analysis

Industry Structure & Developments

The Indian Paint and Coatings Sector saw a muted growth in FY 2023-24 following robust growth in two consecutive years of FY 2021-22 & FY 2022-23. During the year under review, demand for paint & coating goods remained flat. Going forward in next 5 years, Paints Industry is expected to grow from Rs. 70,000 Crore to Rs. 1 Lakh Crore industry, driven by India's expected GDP growth rate of 6-7% in medium term, which naturally creates a supportive environment for the industry growth.

Indian Paint industry consists mainly of Decorative Paints, Protective Coatings, Wood Coatings, Automotive Paints, Ancillaries, Waterproofing etc. with decorative market being the largest part accounting for over 70% of the market. Paint industry in India is largely dominated by organized players accounting for 80% of the market with mainly 4 large players and significant number of medium level players while the unorganized players accounting for the rest 20%. Slowly but steadily large players are increasing their market share and dominance in the market with unorganized players limited to niche markets. We also see a fair chance of consolidation in the paint industry going forward.

The industry is divided into two categories - decorative and industrial. The Indian paint sector has grown extensively over the years wherein decorative segment has grown at 11.4% CAGR and industrial paint segment has grown at 7.9% CAGR over the last 12 years. Demand of Decorative Paints that hold 70% of the market is significant during the festive season that arises from household painting and other display purposes. Along with this, the popularity of quality paints and increasing income in tier-1 and tier-2 cities is adding in the growth of the premium market of decorative paint industry. The Indian paints industry by value and volume is expected to grow at a CAGR of around 10% in next few years.

The key growth drivers for paint industry in India, inter alia, includes rising urbanization, improved products, shortening of repainting cycle, decreasing propensity to save, affordable housing, growing middle-class with higher disposable incomes, nuclear family structure, growing demand from smaller towns & rural areas, increasing consumer involvement in the painting process, growing adoption of new styles/ designs/ textures and triggers like government focus on housing & infrastructure development.

The prices of key raw materials cooled off significantly in the last financial year. Further, the cost of solvent and water based raw materials decreased sharply due to decline in prices of crude oil and titanium dioxide. As a result, the profitability of all the players has increased significantly in FY 2023-24. The year 2024-25, however, sees a reversal of price as the crude oil price is rising leading to price intervention in terms of price rise in a staggered manner.

About Shalimar Paints

Established in 1902, it can be said that the history of Shalimar Paints is closely linked to the development of Paints industry in India. Shalimar Paints legacy is interwoven with the very fabric of this nation, as the Company has long played a pivotal role in safeguarding the nation's most iconic structures - from the majestic Howrah Bridge to the venerable Rashtrapati Bhavan, from the intricate systems of nuclear power installations to the sprawling networks of railways, power plants, and refineries. Most recently, Shalimar Paints had the distinct honor of protecting the world's highest rail bridge over the Chenab River, demonstrating the resilience of our coatings in environmental conditions ranging from -20°C to +45°C.

The Company is engaged in manufacturing and marketing of decorative paints and industrial coatings. The Decorative business covers both Interior and Exterior paints where it has a number of flagship brands. The Company also has tinting systems under the brand "Color Space" where it offers more than 12,000 shades across all product lines to its customers.

The Company has increased its distribution reach from 38 sales depots in FY 22-23 to around 48 in FY 23-24 and will be further expanding the same in the current FY. On the back of such promising growth numbers complemented by a significant production boost, the brand is well on its way to pick up the growth trajectory soon. Apart from India, Shalimar also catered to consumers from Nepal, UAE, Bhutan and Seychelles.

The Company currently has three manufacturing facilities, one each at Chennai, Nashik and Sikandrabad (Uttar Pradesh). Howrah unit's operations remains suspended after fire broke out in 2014

Performance

The year 2023-24 began on a strong note, with Shalimar Paints achieving significant milestones. For the first time in a decade,

we surpassed the Rs. 600 crore mark in revenue on gross basis, registering a net sales growth of 10% and gaining market share in both the decorative and industrial sectors, a testament to our strategic focus on refining internal and external facing functions and processes to meet customer demands with exceptional efficiency and timeliness.

The Company is primarily engaged in industrial and decorative segments with decorative segment contributing almost 63% of the revenue. Within decorative segment, water based paints contribute about 61% of the sales which has shown a good growth over last one year. Your Company is taking steps to increase water based proportion to about 70% in next one year, which should help in improving margins & financials of the Company.

The Company has undertaken automation and infrastructure development across all three plants. These investments have been mainly towards reducing wastages, improving throughput and quality. These enhancements will bring greater accuracy to our product packing processes and significantly improve cycle times, thereby boosting overall efficiency. These strategic investments, along with our comprehensive quality improvement plan, underscore our commitment to maintaining our competitive edge and delivering superior value to our stakeholders.

To minimize the impact of cost escalation, the Company has taken number of steps. The Company has started to source raw materials based on reverse auction principle. In addition, Company has also started direct import of certain raw materials. In addition, R&D is working on change in formulation to reduce costs. The Company is also trying to control its fixed costs as well as interest costs so that benefit of increased revenue can be reflected in bottom line.

Research & Development

Our commitment to innovation is exemplified by our significant investments in R&D initiatives. In FY 2023-24, your Company achieved a significant milestone with the completion of its State-of-the-Art R&D facility at Nashik, spanning over 31,000 square feet, a project that began in the previous financial year with the vision of positioning Shalimar Paints among the top five companies in India's paint industry. Over the past two years, these investments have enabled us to launch 14 new products. Revenue from new products launched in the previous FY was more than 20% of total sales, which depicts our deep understanding of the consumer requirements. This achievement underscores our deep understanding of consumer needs. Our Research and Design team, in close collaboration with our esteemed vendors, ensures that our final products not only meet but exceed customer expectations while minimizing the use of hazardous substances and reducing greenhouse gas emissions.

Our state-of-the-art R&D center in Nashik is dedicated to achieving the highest international standards of product quality through continuous innovation and has enhanced our capabilities to innovate and improve on the basket of products as well as improvement in recipe of existing products. We are focused on developing sustainable, eco-friendly coatings that extend the lifespan of critical assets - from metal pipes to plant machinery, national infrastructure, construction equipment, ships, and buildings - all while prioritizing environmental protection. Our modern IT systems and processes further empower us to deliver swift and impeccable service, fostering a level of customer satisfaction that is second to none.

Outlook

The paint industry like many others in the economy, globally, is likely to witness a period of consistent growth for next 5/6 years. Indian economy though seems to be pegged to grow around 7%. Going forward, India is expected to become the third largest economy in the world by 2027 and that would definitely be on the shoulders of some extraordinary developments in the field of infrastructure and which definitely would bring in good news for the building materials segment and paint in particular.

We at Shalimar Paints are preparing and doing the groundwork for the potentially golden period ahead. Plant capacities are augmented. The facilities will also be modernized and upgraded to meet the increasing demand. The purchase and sales systems are being upgraded and automated to reflect the latest trends. New products are being developed for decorative segments to account for the changing tastes.

The year 2023-24 also saw us foraying into innovation with the launch of Hero brand in the premium segment. Looking into the interests of our consumers we also came up with premium enamels. We are deeply gratified by the warm reception these products have received from both consumers and channel partners, affirming our belief in their enduring value.

Opportunities and Threats

Opportunities:

Paint Industry in India is driven by growth not only in construction activities but also in industrial development. 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, increase in disposable income and increased government expenditure on infrastructure. Rising urbanization, supported by real estate demand and improving infrastructure, has been boosting paint demand over the past few years.

Easy availability of housing loans has contributed to increase in number of houses which has directly added to increased demand for paints industry. Also, finance is now more easily available for renovation and repair of houses than before. This in turn, helps to shorten repair cycle.

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. Many new products are ready for launch in the coming months.

New entry of modern retail and E-comm players in the category like Hippo Stores, Infra.market stores, YouKraft.com, painting service partners like Aap ka Painter, Urban Company and many more have opened up new channels of selling paint products and engage new influencers. New Age interior designers and architects and the emerging demand for hiring these professionals also brings a new opportunity to connect with them and promote our products.

Threats:

The Cost of Raw materials is an important factor as the industry is raw material intensive. However, the rising raw material cost is still the biggest challenge. Also, a large portion of raw materials are imported, leaving the cost factor vulnerable to exchange rate fluctuation.

The entry of new players in the Indian market may increase the competition among the players of the industry. This may lead to price war which may impact the profit margin of the companies. As a result, the increase in volume growth may not equally reflect in the profit growth for the companies.

Another threat to this industry is that the competition does not lie just within the paint industry. Any brand, be it into decoration like wall paper or furniture, in which a consumer is ready to spend money to decorate his home is our competitor.

Risk and Concerns

Paint consumption is positively co-related to GDP growth and therefore a slowdown in GDP would affect the industry directly. Also, paint being a discretionary spend item, there is a likelihood of customers putting their paint requirements on hold for some time, thereby impacting renovation demand.

One of the key challenges for the paint sector is price fluctuation. Since most raw materials used in the production of paint products are petroleum-based, the fluctuation in crude oil prices creates a direct impact on the final paint product that goes to the end consumer.

The vagaries of the monsoon: extended monsoon in some regions and deficit rainfall in others affect demand from the rural sector, as an extended monsoon can reduce the number of dry days before the festive season and deficit rainfall affects income.

The cyclical nature of the decorative paints segment is the biggest loss factor that affects its sales. The demand for this segment is high only during festive seasons when people invest in whitewashing and painting their homes and then go down as they redo it after a long gap of at least 3-5 years.

Import policies also play a key role in deciding the price points as most raw materials are imported from foreign countries. Any change in the tax regime can significantly escalate the painting price.

Another challenge faced by the industry is the new regulation by way of extended producer liability on usage of plastic products. The new regulation mandates that gradually the industry will have to graduate to complete utilisation of plastic waste used as containers/ packing materials to ensure that no waste goes in the environment. This is a big challenge particularly since current technologies are not developed to ensure the same. Shalimar Paints like its peers will have to face this challenge.

Slowdown in infrastructure and construction activities would affect overall demand for paint companies. Delay in the revival of the auto industry would continue to pose a threat to the growth of industrial paints demand. In the post-COVID era, however, the challenges will change drastically.

Information Technology

At Shalimar Paints, Information Technology (“IT”) has become an integral part of the manufacturing and revolutionizing processes, real time monitoring, improving efficiency and driving innovation & adoption. The automation brought about by IT has revolutionized various departments and their processes, enabling us to introduce several industry-first initiatives over the past year. Last year was very crucial where various strategic decisions were taken which

set the base of future technological advancements and their impact on operations & service delivery.

IT Department is working collaboratively with different Departments to enhance productivity and address business problems. During the year under review, Sales Plan board system was implemented which is having scientifically system driven output and has inbuilt review mechanism & analytics. This has brought uniformity in terms of sales planning across the organization. Sales Force Automation was implemented which measures different KPI against the targets. All relevant data linked to customer and stock is synced to an application which provides useful insights to team on ground. Reports and analytics help the management and RMs to take preventive and corrective actions. Visit plans can be made in system, automation of order booking process has empowered the team, and this has improved the SLAs.

Different backend process automation and refinement like Secondary Freight Automation has been implemented which helps to measure different KPI of transporter, Timely POD, mismatch reporting, reconciliation of vendor bills, load planning and vehicle tracking. Efforts are in progress to have system driven primary and secondary freight based on the different contracts with vendors and to have system driven reconciliation. Warehouse Management System is being implemented in all Plants which has enabled better inventory planning and brought efficiencies in warehouse operation. Gate entry module has been implemented which has shortened the cycle and everything is tracked through system which has helped in reconciliation as well.

BI is in place and has reached to a matured level. All major reports are system driven. Rebate and discount, margin analysis finance dashboards, supply chain dashboard, inventory analysis etc. are driven through BI.

Our IT Infrastructure has also improved. IT Policies and SOPs have been implemented. To empower field staff with data, as a major step TABs were given to all field staff. We have upgraded the Desktop and Laptops of almost all the employees. With the implementation of S4 HANA we are moving to a more powerful server with better computes.

Last Year SAP S4 HANA RISE implementation was started and this year, we will go live in Q2 with core module. We will introduce authorization matrix, Fiori application, workflow and will go to advance level of these features as well. Implementation of COPA and GRC is also in pipeline. We are implementing the Supply Chain Automation tool which will go live in Q3. This is going to have its positive impacts on Integrated Demand Management, Supply Planning, Material Planning, Production Planning and Scheduling, Inventory Norms Planning and Distribution Planning.

In this digital era, our commitment to innovation and efficiency through IT is stronger than ever. As we continue to invest in cutting-edge solutions, we remain focused on fostering a culture of continuous improvement and digital transformation.

Supply Chain

In the competitive world where organizations face tremendous pressure to cut costs, the supply chain plays a pivotal role. At Shalimar, the supply chain not only strives to fulfil customer demands but also builds trust among customers.

Aligned with the above commitment, during the year under review, we were operating with 49 warehouses to improve serviceability and speed in deliveries, as well as increasing warehouse storage capacity to build up sufficient stocks. This year, our aim is to modernize our warehouses to improve efficiency and bring discipline in warehouse operations in line with organization values. As a result, we introduced 3PL partners to manage warehouse operations. We introduced transport management system (TMS) to streamline secondary transportation and facilitate faster order execution. We will focus more on strengthening our system to bring transparency in operations performed at our warehouses. This year we will be introducing new demand planning tools to improve accuracy in forecasting, production planning & distributions which will enable us to rationalize inventories and bring control over stocks.

To have better supervision, we introduced cluster head concepts based on the geographies of warehouses. We have placed resources to improve warehouse operations' efficiency and fast addressal of customer complaints.

HR Initiatives

Employees are the core strength of any business, organization or for any industry. How to live and work better is a complex question. Throughout most of human history our endeavour has been to enhance both. With changing times, there has been evolution in the way we approach manpower and talent from the days when HR was just a personnel department managing employee files and processing payroll to now being a business partner driving business growth, we have seen it all.

The future of work is also being shaped by rapid technological innovation, globalisation and demographic shifts in workforces around the world. We are experiencing a groundbreaking transition to artificial intelligence and the automation of traditional workplace practices. To promote a great place to work in which employees go above and beyond to achieve organizational goals, we need to lead by example and collaborate with everyone's strengths to

build higher employee value proposition. In order to achieve the same, during the financial year 2023-24, various initiatives were taken by the Company under multiple HR domains:

Attracting Talent: Your Company hired 225+ new employees across functions including the Leadership team and next line to the Leadership team. With this, we have a strong team at the senior level who can guide and coach the team below to drive growth for the Company. Besides new hiring, we have also done a significant number of replacement hiring particularly in Sales team.

Your Company has started using Social media platform like Linkedin for job postings as well as an opportunity for posting major events and activities within the Company to help us in attracting talent. With this, we have seen a significant increase in the number of subscriber base for our Company's Linkedin. We have created some success in converting this to our hiring needs. This activity has helped us to give a message to the market about Shalimar 2.0 and the way we are transforming the Company for future. Driving Strong Connect @ Social Media (Linkedin, Twitter, Instagram, Facebook) by 2-3 posts monthly on Employee Speak /Event Coverage /Anniversary (Work) /Employee Experience / Career Posts.

With so much happening within the organization with respect to creating the right employee experience, we have seen some fantastic reviews about Shalimar on social media platforms like Glassdoor, Ambition Box & Indeed. This is due to focussed and consistent effort on "Sampark" our employee onboarding and engagement platform, "Unnati" our training and learning platform and various other open houses and townhalls. Consequently, Company's rating on Glassdoor platform got increased from 3.7 to 4.4 in a span of one year.

Your Company has also started Brand building activity & encouraging industry academic interface in which our Senior Leadership team members directly share their industry experience and give sessions /Talent Talks at the institutes and hiring GET/s for R&D, Manufacturing & Industrial Business.

Early in the year, considering the importance of generating the secondary sales for the Decorative business and hence to support our business, the Company hired about 22 Business Development officers, whose primary task is to generate leads from the Painter, Contractor and Architect base and convert them into our painter programs. Seeing the success in Decorative Business, we have started this for our Industrial business as well.

For reducing our dependency on Contractual labours in our plant locations, we are continuing with the program of hiring ITI and Diploma engineering graduates who can give us better productivity and a better stability. We have seen good success of this program in our Plants.

Employee Engagement and Retention:

Reward and Recognition: As rewarding and recognizing employees leads to greater employee engagement, increased retention, increased productivity, increased peer competition and helps to create a positive overall workplace. In line with this philosophy, Company is appreciating and rewarding exceptional performers from sales team every month based on their monthly performance through Shalimar Premier League and celebrating the success by organizing family trip at Goa for the winners.

Coffee with HR & Sampark: Monthly engagement programs have been started in Plants and Depots i.e "Coffee with HR" & "Sampark" for all new joinees & others. Some benefits are:

1. Improved communication: Coffee with HR & Sampark provides a casual sitting for employees to ask questions and share their thoughts with HR representatives. This helps HR to better understand employee needs and concerns, and fosters a culture of open communication.
2. Increased engagement: Employee engagement is critical for retention and productivity. By providing opportunities for employees to interact with HR, companies can improve engagement and create a more positive work environment.

3. Better understanding of policies and procedures: Through Coffee with HR & Sampark, employees have been able to gain a better understanding of HR policies and procedures, which helps them make more informed decisions and avoid misunderstandings in the future.
4. Enhanced company culture: A company that values employee input and feedback is more likely to foster a positive culture than a company that does not. Coffee with HR & Sampark has helped to create a culture that encourages collaboration and transparency and building trust between employees and management.

Celebrations: Fun at workplace plays an important role in keeping the work environment lively and enthusiastic. In terms of celebration, we had celebrations on all important occasion such as Diwali, Holi, Christmas, Women's Day, Company's success on breaking old records, Birthdays, International Yoga Day, Environment Day etc.

Flexi Benefit Plan (FBP): We have further enhanced the plan for all employees this year by introducing Sodexo benefits and also increased limits under some benefit heads to increase the coverage, thus allowing them to choose for flexible basket of options to help in saving taxes at maximum level. Employees can now restructure their special allowance and get tax benefits.

Paternity Leave Policy: Company has introduced paternity leave policy to all permanent male employees under which they will be entitled to 5 days of paternity leave at the time of child birth.

Travel Portal: To make travel bookings more convenient, we introduced MakemyTrip online portal for our employees where the employees can do a self-booking which gets debited from the Company's wallet. This has helped in saving booking time and also helped in saving cost.

Rewarding SIP programs: Driving Sales Incentive Programs for the year to boost growth as well as to reward the Sales team for their effort and results. This year the SIP earnings have been one of the highest.

Quarterly PLVP (Performance Linked Variable Pay): Revision in the earning potential under PLVP for Non sales team was made this year to boost employee's morale and effectiveness.

Developing Talent: In terms of development and to support the business growth, various inhouse and external training programs related to Company's products, technical skills, selling skills, negotiation skills, MDP/ Leadership (IIM Lucknow for few leaders) etc. were organized by the Company. Besides these interventions, regular Induction/ Orientation programs for new joiners are being organized to bring them upto speed and to familiarize with company policies/ practices and culture.

Train the Trainer program: Train the Trainer program was conducted for certain eligible employees working in Manufacturing, Quality, R&D & HR fraternity across all three Plants to train them in conducting training sessions effectively through various activities like brainstorming, role plays, process checks, etc., to ensure effective learning in respective areas. Major objectives of TTT Program were :

- Training essentials of Trainer
- Tools required to prepare the relevant PPT's
- Audience Management & Meeting Etiquettes

Reward & recognition is carried out for the eligible employees and they get Amazon Vouchers & Certificates.

Managerial Essentials: Managerial Essential program was conducted for certain eligible employees working in Manufacturing, Quality, R&D, Industrial Sales, IT, Finance & Accounts, Supply Chain along with HR fraternity across all three Plants, Regional Offices & Gurugram HO to train them on "KEY ESSENTIALS" of becoming a "SUCESSFUL MANAGER" through various activities like brainstorming, process checks, tools & technique to use @ work place etc., to ensure effective learning in respective areas.

Coverage of "Managerial Essentials Program" was as under: Communication, influencing, coaching, giving feedback, motivating team, problem solving, delegation and decision making.

Assessment & Development Centre ("ADC") for Sales Team: Company has carried out ADC for certain Sales professionals with the help of external partner 'Jombay' in which they gathered understanding from Shalimar Paints internal stakeholders about the competencies and behaviors essential for Regional Managers/ Zonal Managers.

Analyse and identify critical competencies and behaviours required for successful performance.

Designed and executed a scientific and standardised assessment centre on the mutually agreed upon competency framework.

HR Automation: The Company is working on an end-to-end HRMS tool which would help us digitize entire employee life cycle be it recruitment, performance management, travel and expense management, leave and attendance management, employee engagement etc.

We have integrated Sales Force Automation (Rise App) with I connect HRMS which provides the actual real time data with regards to employee's dealer visits and distance travelled by employee.

Culture of Safety: Safety of our employees at plant is of utmost importance for us. Hence, the Company organized various trainings like Emergency & Safety Awareness & Fire Fighting & Techniques etc. at our Sikandrabad, Chennai & Nashik plants. In relation to prevention of illness, free Annual Health Check Camps were organized across Chennai, Nashik and Sikandrabad Plants. We also organise “Safety Week” at every plant.

RACE Program: “RACE” is the campaign in Plants, which stands for - Reduction in plastic usage, Awareness among masses, Circular solution to disposal and Engagement of one and all. In a bid to phase out single-use plastic items, Centre has announced that India will ban the manufacture, import, stocking, distribution, sale, and use of identified single-use plastic items with low utility and high littering potential. All Plants of the Company had organised Rally program in all Industrial/nearby area with taking Pledge and sharing ideas for alternate of single use Plastic items in our life.

Benefits: Company has carried out several employee benefits which are helping out to boost employee motivation and morale likewise:

- Company has revised the grade benefits with regards to monetary coverage limits in Group Medical Coverage policy covering all permanent employees.
- Company is providing nutritious food in lunch on highly subsidised prices to all employees at corporate office & at plant levels.
- Free Transportation Facility for permanent employees at plant level

Marketing

In this highly competitive industry, marketing and brand building holds a significant importance to not only differentiate the brand and its products in the market but also to create top of the mind recall in the minds of consumers. In paints category, the consumer and the buyer are different i.e. the influencer (Painter) is the buyer and homeowner or project owner is the consumer.

Shalimar Paints Paves the Way for a New Era with "UPGRADE KIYA KYA"

In FY 2023-24, with an unwavering commitment to aligning our offerings with the ever-evolving needs of our consumers, we went ahead and undertook extensive market research to delve into their thought processes and preferences. The insights garnered from this endeavor have served as the cornerstone of our strategy for building the new SHALIMAR 2.0.

We upgraded ourselves with technically advanced products to meet the needs of the modern consumer, who is also looking for feature loaded high quality product.

To address this need, we launched our new product range at mega events conducted across major metros in the country like Delhi, Lucknow, Pune, Kolkata and Bangalore. We hosted these grand events in the presence of more than 1,000 trade partners who enjoyed the ceremonial nights and engaged with our products.

Our new products are designed to meet modern-day demands. One such product is **HERO 5-in-1 interior emulsion**, which has multiple features like Washability, Stain resistance, Zero VOC and antiviral defence. We also launched multiple new products like **CareWood Wood coatings range** – Melamine & 1K PU, Magic brushes & rollers range. Responding to interior trends, we also introduced **PU Satin Enamel** for the premium consumer looking for aesthetic appeal to its home interiors and **Zero Damp waterproofing** to provide effective waterproofing solutions for common seepage problems that prevails in almost every Indian household.

In FY 2023-24, we ramped up our marketing activations in all domains, whether it was to activate the painters at dealer shops, in the field or at the nakkas, we left no stone unturned to engage with them and enroll them in our Painter Loyalty Program.

Shalimar Expert Painter Loyalty Program grew by 200% during the year highlighting the loyalty of existing painters as well as activity by new painters in the program. The program also saw **160% growth in terms of painter activity rate. The painter base surged from 90,000 to 1.55 Lacs during the year** which was a result of robust on ground painter meetings and activations.

Apart from the painter meet ups at dealer shops and at independent venues where the sales team educates them about our new product offerings, schemes and offers, we also started a new mobile painter training vans initiative that focuses on activating the painter where they are i.e. nakkas, hardware markets, dealer shops, streets, etc. The Mobile training van covered over 10,000 kms across the UP market covering cities like – Lucknow, Kanpur, Ghaziabad, Gorakhpur, Agra and Allahabad, visited over 500 Shalimar Dealers and on boarded over 5000 new painters.

While focusing on painters, we not only gave them the opportunity to earn more with us but also to educate them by conducting **Digital Training Sessions at the painter meet ups**. We also started a **Painter's social media club on Facebook** to engage them digitally with educational content and engaging contests. The community quickly gained following and participation from **more than 5000 painters.**

To engage with consumers, we used a combination of online and offline media. We continued to strengthen the brand by using the power of social media and garnered more than 20,000 new followers across Facebook and Instagram.

We took our festive campaign to the next level by partnering with top-tier social media influencers, transforming word-of-mouth advertising into a powerful marketing force. The results were phenomenal - our campaign exploded on social media, amassing over 2 million views and capturing the attention of a vast audience with over 10,000 engagements.

In just one year, our social media presence skyrocketed. We achieved an astonishing 100% growth in followers on Facebook and Instagram, solidifying our brand's influence & reach and the momentum doesn't stop there - we are rapidly gaining traction on YouTube, engaging with more fans and followers every day.

To further improve the consumer connect, we ran a brand promotion campaign on radio for a period of 2 months in North India that covered the entire Uttar Pradesh and Uttarakhand market. The campaign not only reminded the listeners about brand's strong legacy of over 120 years but also created awareness about the commitment of brand to deliver great quality products to its consumers. **The campaign was run across 19 radio stations covering an airtime of over 3 lac seconds.** Radio Jockeys also visited key Shalimar dealers and engaged with the consumers at the stores, driving awareness about the new products by the brand.

To drive brand visibility across tier 2 and 3 markets, we went ahead with a massive **2.8 lakh sq ft wall painting campaign** in Uttar Pradesh, Punjab, Haryana, and Jammu, transforming highways its vibrant brand color red. The activity was conducted in the upcountry region giving visibility to consumers across main highways connecting different cities of the region in North India.

As dealer shops hold a significant importance – both consumers as well as influencers visit the dealer shops to buy the product, **we launched a signage and branding campaign at over 1500+ dealer outlets nationwide** in which we

deployed Brand Signages at all our dealerships, provided dealership certificates, new dealer kits as well as branded their shops with latest product brandings highlighting the USPs of our products. New ways of highlighting our products were used like using shelf highlighters and backlit product brandings to differentiate our products from others and make them eye catchy while they are on the shelves.

Internal Control Systems

The internal control system is an integral part of the general organizational structure of the Company. The Company has in place the necessary control systems to ensure transparency and security of its transactions. However, the same are being upgraded keeping in view the increased threats. The purchase, sales, procurement, payment and other operations are being automated. Checks and balances are being strengthened at each level. The system is highly structured and totally in sync with the size and nature of its business. 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. The organization is appropriately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment.

Financial Performance

Your Company during the year under review has suffered a loss of Rs. 73.75 crore as against loss of Rs. 36.10 crore in the previous year, on standalone basis. The revenue from operations of the Company for the financial year 2023-24 stood at Rs. 534.91 crore as against Rs. 483.81 crore in the previous year.

While revenues of the company have grown by about 10%, mainly due to healthy change in the mix of water based products and in specific emulsion portfolio, the profitability has been impacted mainly due to one time cost, manpower cost and marketing expenses. The gross margin of the Company has improved from 28% to 29%.

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations	534.91	483.81	534.91	483.81
Other Income	8.17	7.21	8.17	7.21
Profit/(Loss) before Finance Cost	(60.79)	(20.20)	(60.89)	(20.25)
Finance Cost	12.96	15.90	12.96	15.90
Profit/(Loss) before Tax	(73.75)	(36.10)	(73.85)	(36.15)
Exceptional Items	-	-	-	-
Tax	-	-	-	-
Profit/(Loss) after Tax	(73.75)	(36.10)	(73.85)	(36.15)

Key Financial Ratios and details of significant changes therein vis-a-vis immediately preceding financial year

Particulars	As at 31-03-2024	As at 31-03-2023	Reasons of Variance
Debtors Turnover Ratio (in times)	4.92	5.20	Reduction in debtors turnover ratio is mainly due to higher sales in last months for which the collection has been done subsequently
Inventory Turnover Ratio (in times)	3.37	3.41	Continuous monitoring and controlling of inventory has kept the inventory turnover ratio in line with the last year.
Interest Coverage Ratio	-3.55	-0.47	Change in ratio is primarily due to increase in losses.
Current Ratio (in times)	1.42	1.39	Current ratio is in line with the last year because of no major changes in the current assets and liabilities
Debt Equity Ratio (in times)	0.27	0.41	Change in ratio is primarily due to repayment of loans during the year and fresh equity infusion through conversion of share warrants into equity shares.
Debt Service Coverage Ratio (DSCR) (in times)	-3.55	-0.47	Change in ratio is primarily due to increase in losses.
Operating Profit Margin (%)	-13.8%	-7.5%	Change in ratio is primarily due to increase in losses.
Net Profit Margin (%)	-13.8%	-7.5%	Change in ratio is primarily due to increase in losses.
Return on Net Worth (%)	-12.58%	-4.24%	Change in ratio is primarily due to increase in losses.
Earnings per Share (EPS) (Rs.)	-9.51	-5.00	EPS has declined due to increase in losses.

Forward-Looking Statement

Certain statements made in the Annual Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. We use words such as anticipates, believes, expects, future, intends, and similar expressions to identify forward-looking statements. Forward-looking statements reflect management's current expectations and are inherently uncertain. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations, taxation, pandemic and other natural calamities over which the Company does not have any direct control. The Company assumes no responsibility to amend, modify or revise any such statements. The Company disclaims any obligation to update these forward-looking statements except as may be required by law.

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 122nd Annual Report on the business and operations of your Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2024.

Financial Results

The highlights of your Company's performance (standalone and consolidated) is summarized below:

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	**FY 2023-24**	FY 2022-23
Revenue from Operations	**534.91**	483.81	**534.91**	483.81
Other Income	**8.17**	7.21	**8.12**	7.21
Total Income	**543.08**	491.02	**543.03**	491.02
Total Expenses	**616.83**	527.12	**616.88**	527.17
Profit/(Loss) before Depreciation, Finance Costs, Exceptional Items and Tax	**(45.97)**	(7.51)	**(46.05)**	(7.54)
Profit/(Loss) before Exceptional Items and Tax	**(73.75)**	(36.10)	**(73.85)**	(36.15)
Exceptional Items	**-**	-	**-**	-
Profit/(Loss) before Tax	**(73.75)**	(36.10)	**(73.85)**	(36.15)
Profit/(Loss) after Tax	**(73.75)**	(36.10)	**(73.85)**	(36.15)
Other Comprehensive Income/(Loss)	**0.06**	0.45	**0.06**	0.45
Total Comprehensive Income/(Loss)	**(73.69)**	(35.65)	**(73.79)**	(35.70)

Results of our operations and state of affairs for financial year 2023-24

During the financial year 2023-24, your Company's revenue from operations stood at Rs. 534.91 crore as against Rs. 483.81 crore in the previous year, recording a growth of about 10.6% over last year. On standalone basis, the Company has registered negative EBITDA of Rs. 45.97 crore during the financial year 2023-24 as compared to negative EBITDA of Rs. 7.51 crore during previous financial year. During the year under review, your Company has suffered a loss of Rs. 73.75 crore as against loss of Rs. 36.10 crore in the previous year, on standalone basis.

Decorative Paints Segment - Decorative Paints primarily caters to architectural needs of the industry catering to residential, commercial, and institutional constructions, combining both repainting and renovation projects. It accounts for about 70% of Paints Industry. Your Company manufactures and markets wide range of decorative paints for interior and exterior surfaces - concrete, plasters, metals etc. During the financial year 2023-24, your Company launched an innovative product Hero Interior emulsion with 5 years warranty which is a multi-featured product at a differentiated price point. To add to it, Shalimar Paints has expanded the wood-coating portfolio under the brand umbrella of CareWood by launching Melamine.

During the year under review, Shalimar Paints decorative segment focused on fundamentals of the business like increasing its channel base by 40%. We have also installed 220+ tinting machines from where your Company has garnered decent amount of incremental sale. We reached out and partnered with influencers and have successfully enrolled 50K+ new painters. Our emulsion mix increased to 33% of the total decorative sales which is a promising indication of better acceptance of our brand in the market.

Industrial Paints Segment - From a pure play supplier of Industrial paints and coatings, your Company today has been instrumental in changing the landscape to offer a more meaningful and structured solution to the coating needs in the Industrial Space.

Apart from the steady growth over the last couple of years, the Industrial team now presents an even better understanding of corrosion issues plaguing the system. With a strong customer focus, Shalimar Paints' Industrial Division has demonstrated consistent growth and expansion by growing more than 20% in FY 2023-24.

The growth in the Pipeline segment paved the path for this superlative performance showcasing the talent of the entire organization with a complete product line for coatings / linings for the Potable water industry catering to LSAW Pipes and Ductile Iron pipes.

The industrial team also increased its presence in the Minerals, Metals and Mining sector by picking up a lot of prestigious contracts like MSPL, Sarda Metals and Alloys Ltd., Shyam Metalics and Energy Ltd., NMDC, Rungta Mines and Minerals thus showcasing its dedication to quality, innovation and customer-centric approach. The division's ability to adapt to changing industrial trends, technological advancements, and regulatory requirements has played a pivotal role in its success.

With the two back-to-back strong performances outpacing the industry norms, your Company in Industrial paints category moved up by a few notches to reach Number 4.

Our high-performance linings have been protecting millions of kilometres of potable water pipelines by providing Food Grade Coatings which are both NSF & WRAS certified for projects in India and abroad. Notably, we have been the single supplier for the prestigious NEOM Project in Saudi Arabia, Projects in Morocco and domestic projects across various State Public Health Engineering Departments.

Through hard work and innovation, we are set to launch our API 5L2 and ISO 15471 certified Gas Flow Epoxy. Among our innovative new and maintenance project products is EPIGARD NGF 83, which can be applied on wet and sweat pipelines and offers 8,000 hours of salt spray resistance. Additionally, products like Solvent-Free Epoxy and Polyurethane have helped our organization meet market demands.

Today, Shalimar Paints is embarking on a new chapter of excellence, redefining our role not just as providers of paints and coatings, but as partners in asset preservation. Your Company is now collaborating closely with asset owners to extend the lifespan of their assets by offering tailored product recommendations and specialized application training by our NACE-certified coating experts. Our commitment to sustainability drives us to work hand-in-hand with industry and academia, developing innovative and environmentally conscious solutions to address potential corrosion challenges.

Additionally, our dedicated NACE Certified technical service teams are stationed at customer locations to monitor and enhance productivity, providing feedback to support R&D, and assisting in designing products for easier application on customer lines. This unique service is highly appreciated by our clients and aids in customer relationship and customer retention.

The detailed information on the business operations of the Company and other relevant information is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Nature of Business

We are engaged in the business of manufacturing and selling of paints and coatings. There are 3 operating plants, one each in north, south and west. The manufactured products are sold directly to consumers as well as through distribution channels.

During the year under review, there has been no change in the nature of Company's business.

Certifications

Your Company's Plants at Nashik, Sikandrabad and Chennai are certified for integrated management systems comprising of Quality Management System (ISO 9001:2015), Environment Management System (ISO 14001:2015) and Occupational Health & Safety Management System (ISO 45001:2018).

Your Company's R&D Laboratory is NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited as per laboratory management system ISO/IEC 17025:2017.

Credit Ratings

The credit rating(s) for the long term / short term bank facilities of the Company as on date of this report is as under:

The Company has been accorded credit rating of 'CARE BBB- (RWD)' for long term bank facilities and 'CARE A3 (RWD)' for short term bank facilities by CARE Ratings Limited. Further, the Company has been accorded credit rating of 'ACUITE BB | Downgraded | Issuer not co-operating' for long term bank facilities and 'ACUITE A4+ | Reaffirmed | Issuer not co-operating' for short term bank facilities by Acuite Ratings and Research Limited ("Acuite").

The Company is in the process of withdrawal of ratings from Acuite. While downgrading the credit ratings arbitrarily, Acuite has not worked with the Company's management to understand its business perspective and plans to improve operational performance. Accordingly, the Company has refused to accept any report which has been made unilaterally by Acuite without any discussion, deliberation and concurrence of Company's management.

Dividend and Transfer to Reserves

In view of losses during the year under review, the Board of Directors has not recommended any dividend on the Equity Shares of the Company. Accordingly, there has been no transfer to general reserves.

As per the requirements of Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a Dividend Distribution Policy which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/Dividend_Distribution_Policy.pdf

Share Capital

During the year under review, the paid up equity share capital of your Company, has increased from Rs. 14.44 crore divided into 7,22,16,926 equity shares of face value Rs. 2/- each to Rs. 16.74 crore divided into 8,37,11,178 equity shares of face value of Rs. 2/- each on account of allotment of 1,14,94,252 equity shares of the Company (pursuant to conversion of Warrants) of face value of Rs. 2/- each at an issue price of Rs. 130.50 per share aggregating to Rs. 149.99 crore.

Out of 1,14,94,252 equity shares, 30,65,134 equity shares were allotted to Virtuous Tradecorp Private Limited, a promoter group company; 26,81,992 equity shares were allotted to JSL Limited, a promoter group company; and 57,47,126 equity shares were allotted to Hella Infra Market Private Limited.

During the year under review, the Company has not issued any equity shares with differential rights / sweat equity shares under Rule 4 and Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.

Significant Events during the year under review / current year

The Company has from time to time during the year under review and current year informed its stakeholders about the key developments that took place by disseminating necessary information to the stock exchanges and through various other means of communication, inter-alia, including as under:

- **Redemption of Optionally Convertible Debentures ("OCDs"):**

  During the financial year 2021-22, the Company had raised funds by way of allotment of 30,55,556, 9% optionally convertible debentures ("OCDs") having face value of Rs. 180/- each, for cash at a price of Rs. 180/- per OCD, aggregating to Rs. 55 crore to Hella Infra Market Private Limited ("HIMPL"). Upon receipt of redemption notice from HIMPL, the OCDs holder, the Company on August 22, 2023, made the full payment along with accrued interest thereon, towards redemption of the entire 30,55,556, 9% OCDs held by HIMPL.

- **Issue of Equity Shares pursuant to conversion of Warrants:**

  During the financial year 2022-23, on April 13, 2022, the Company had allotted by way of preferential allotment on a private placement basis 1,14,94,252 Warrants, each carrying a right to subscribe to 1 fully paid up equity share of the Company having a face value of Rs. 2/- each at a price of Rs. 130.50 each, upon receipt of subscription money @ 25% of the issue price out of which 30,65,134 Warrants were allotted to Virtuous Tradecorp Private Limited, a promoter group company; 26,81,992 Warrants were allotted to JSL Limited, a promoter group company; and 57,47,126 Warrants were allotted to Hella Infra Market Private Limited (collectively "the Warrant Holders/Allottees") with a right exercisable by the Warrant Holders to subscribe for One (1) Equity Share per warrant within 18 months.

  As per the terms of issue of Warrants, consequent to exercising the option of conversion of respective Warrants into equity shares, in entirety by the Warrant Holders and upon receipt of balance 75% of the subscription money on said Warrants, the Company, on October 11, 2023, allotted 1,14,94,252 equity shares of face value of Rs. 2/- each at an issue price of Rs. 130.50 each to the Warrant Holders as per their entitlement on account of conversion.

  The Company had utilised Rs. 134.48 crore till June 30, 2024 out of the funds so raised through issue of aforesaid equity shares pursuant to conversion of Warrants to strengthen Company's balance sheet, have access to long term resources to meet its growth requirements and for general corporate purposes.

- **Open Offer by Hella Infra Market Private Limited:**

  Hella Infra Market Private Limited ("HIMPL") had issued a notice dated September 27, 2023 to the Company for exercising its right to subscribe to 57,47,126 Equity Shares in lieu of 57,47,126 Warrants of the Company held by it. Further, HIMPL proposed to place purchase order(s), in one or more tranches, with its stock broker on or after September 28, 2023 to purchase upto 1,00,00,000 Equity Shares of the Company ("SE Shares"). Pursuant to the aforementioned transactions, HIMPL would be acquiring a substantial stake (i.e. shares/ voting rights in excess of 25% of the expanded voting share capital) and also desired to exercise joint control over the Company alongwith the existing promoters of the Company.

  Accordingly, in view of the aforementioned transactions, HIMPL made an open offer to acquire upto 2,17,64,907 fully paid up equity shares of the Company having face value of Rs. 2/- each ("Equity Shares"), representing 26% of the expanded voting share capital of the Company at a price of Rs. 200/- per Equity Share from the eligible shareholders of the Company in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

  HIMPL acquired (i) an aggregate of 78,03,400 equity shares from open market in a series of acquisitions undertaken between October 03, 2023 to January 04, 2024 pursuant to SE Share Purchase; (ii) 57,47,126 equity shares on October 11, 2023 pursuant to conversion of warrants into equity shares; and (iii) 1,26,46,650 equity shares on March 11, 2024 pursuant to the open offer in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

  Pursuant to the above acquisitions and completion of open offer:

  a) HIMPL has become the largest shareholder and holding company of the Company holding 52.85% of the total paid up equity share capital of the Company;

  b) HIMPL has also become one of the promoters of the Company w.e.f. March 11, 2024; and

  c) the minimum public shareholding requirement as per Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 ("SCRR") read with Rule 19A of the SCRR and Regulation 38 of the SEBI Listing Regulations fell below 25% of the total paid up equity share capital of the Company.

  As per SCRR, a maximum period of 12 months is available to bring the public shareholding to 25% from the date of such fall in accordance with the manner specified by the SEBI and the same will be ensured.

Employees Stock Option Scheme

During the year under review, no shares have been offered by the Company pursuant to Employee Stock Option Scheme, 2013 i.e. "ESOP 2013" of the Company.

Further, with a view to motivate the employees seeking their contribution to the corporate growth, to create a sense of ownership and participation amongst them, to attract new talents, to retain them for ensuring sustained growth and to encourage them in aligning individual goals with that of the Company's objectives, your Company had implemented an Employees Stock Option Scheme namely "Shalimar Paints Limited Employees Stock Option Scheme - 2022" ("SPL ESOP 2022") for which approval of shareholders of the Company was received on September 29, 2022.

The Nomination and Remuneration Committee ("NRC") of the Board of Directors of the Company, inter-alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations").

Under SPL ESOP 2022, out of total 21,66,500 (Twenty One Lacs Sixty Six Thousand Five Hundred) Options available for grant to the eligible employees of the Company, during the year under review, the NRC of the Company had granted 19,66,566 (Nineteen Lacs Sixty Six Thousand Five Hundred Sixty Six) Stock Options to the eligible employees of the Company. All Options upon vesting shall be exercisable during the Exercise period of Four (4) years.

As on March 31, 2024, no options were vested under SPL ESOP 2022. Subsequent to the year under review, 2,61,864 options have been vested under SPL ESOP 2022. However, no allotment of shares was made under the SPL ESOP 2022 as on the date of the Report.

SPL ESOP 2022 is in compliance with the SEBI (SBEB & SE) Regulations and related resolution passed by the members of the Company on September 29, 2022. During the year under review, no changes have been made in the ESOP Schemes of the Company.

Certificate from the Secretarial Auditors of the Company confirming that Schemes have been implemented in accordance with the SEBI (SBEB & SE) Regulations and resolution passed by the members of the Company will be made available for inspection by the members at the Annual General Meeting ("AGM") of the Company.

A report as required under the SEBI (SBEB & SE) Regulations and as per the provisions of section 62(1)(b) of the Companies Act, 2013 ("the Act") read with Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 and other applicable Regulations is annexed as **Annexure - I** to this Report.

Transfer to Investor Education and Protection Fund

During the year under review, no amount was required to be transferred by the Company to the Investor Education and Protection Fund.

Significant and material orders impacting the going concern status and Company's operations in future

During the year under review, no significant and material orders were passed by any regulator or court or tribunal which may impact the going concern status and your Company's operations in future.

Further, during the year under review, there was no instance of one time settlement with any bank or financial institution.

Subsidiaries

As on March 31, 2024, your Company had two subsidiaries, viz. 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. The Company does not have any associate and/or joint venture company.

The Company has formulated a Policy for determining material subsidiaries which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/SPL_Material_Subsidiaries.pdf. As on March 31, 2024, the Company does not have any material subsidiary as per the provisions of Regulation 16 of the SEBI Listing Regulations.

Financial Details of Subsidiaries

A separate statement containing the salient features of financial statements of the Company's Subsidiaries in the prescribed Form AOC-1, annexed as **Annexure - II**, forms part of the Annual Report and hence not repeated here for the sake of brevity. This statement also provides details of performance and financial position of each of the Subsidiaries.

The separate Audited Financial Statements of the Subsidiaries shall be kept open for inspection at the Company's Corporate Office during working hours for a period of 21 days before the date of the ensuing AGM of the Company and are also available on the website of the Company at https://www.shalimarpaints.com/investors-relations/financial-statements-of-subsidiary-companies. The same will also be made available upon request of any member of the Company who is interested in obtaining the same.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company and its Subsidiaries, prepared in terms of Section 129 of the Act, Regulation 33 of SEBI Listing Regulations and in accordance with IND AS 110 as specified in the Companies (Indian Accounting Standards) Rules, 2015 and provisions of Schedule III to the Act, are attached herewith and the same together with Auditors' Report thereon, forms part of the Annual Report.

Indian Accounting Standards, 2015

The annexed financial statements comply in all material aspects with Indian Accounting Standards notified under Section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

Directors and Key Managerial Personnel

i. Cessation of Directors: During the year under review, Mr. Alok Perti (DIN: 00475747) and Mr. Vijay Kumar Sharma (DIN: 01468701), Non-Executive Independent Directors, ceased to be directors of the Company w.e.f. June 29, 2023 and October 04, 2023, respectively.

   Further, during the current year, Mr. Ashok Kumar Gupta (DIN: 01722395) has ceased to be the Managing Director of the Company w.e.f. July 02, 2024, and Mr. Abhyuday Jindal (DIN: 07290474) has ceased to be the Non-Executive Non-Independent Director of the Company w.e.f. July 15, 2024, pursuant to their resignation from the Board of Directors of the Company.

   Your Directors place their sincere appreciation towards the invaluable contributions, guidance and support received from them during their tenure as Director towards the progress of the Company.

ii. Appointment of Non-Executive Independent Directors: During the year under review, the appointment of Mr. Atul Rasiklal Desai (DIN: 01918187), who was appointed as Non-Executive Independent Director by the Board of Directors, based on recommendation of Nomination and Remuneration Committee ("NRC"), w.e.f. June 28, 2023 was approved by the shareholders at the Annual General Meeting held on September 27, 2023.

   Further, during the current year, the Board of Directors, based on the recommendation of NRC, has appointed Mr. Vijay Kumar Sharma (DIN: 01468701), as an additional director (in the category of Non-Executive Independent Director) for a period of three (3) years w.e.f. July 23, 2024, subject to the approval of the shareholders of the Company.

iii. Re-appointment of Non-Executive Independent Director: During the current year, the Board of Directors, based on recommendation of NRC, re-appointed Dr. Rajeev Uberoi (DIN: 01731829) as Non-Executive Independent Director for second consecutive term of three (3) years w.e.f. May 11, 2024, subject to the approval of the shareholders of the Company and the same was subsequently approved by the shareholders through Postal Ballot passed on July 04, 2024.

iv. Appointment of Non-Executive Non-Independent Directors: During the current year, the Board of Directors, based on the recommendation of NRC, appointed Mr. Aaditya Gajendra Sharda (DIN: 07024283), as an additional director (in the category of Non-Executive Non-Independent Director) w.e.f. April 11, 2024, subject to the approval of the shareholders of the Company and the same was subsequently approved by the shareholders through Postal Ballot passed on July 04, 2024.

v. Appointment of Whole-time Director: During the current year, the Board of Directors, based on the recommendation of NRC, appointed Mr. Venugopal Chetlur (DIN: 08686707), as an additional director as well as Whole-time Director (designated as 'Chief Operating Officer & Whole-time Director') of the Company under the category of Key Managerial Personnel of the Company w.e.f. July 23, 2024, to hold office for a term of three (3) consecutive years, liable to retire by rotation, subject to the approval of the shareholders of the Company.

vi. Director retiring by rotation: In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Aaditya Gajendra Sharda (DIN: 07024283), Non-Executive Non-Independent Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment as director.

vii. Profile of Directors seeking appointment / re-appointment: The brief resume of the Directors seeking appointment / re-appointment along with other details as stipulated under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standards issued by The Institute of Company Secretaries of India, are provided in the Notice convening the ensuing AGM of the Company.

viii. Declaration by Independent Directors: Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence provided in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as independent director during the year under review. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board Members and Senior Management. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other authority.

ix. Statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year: In the opinion of the Board, the Independent Directors possess the attributes of integrity, expertise and experience as required to be disclosed under Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014 (as amended).

x. Registration in Independent Directors' Data Bank: The Company has received confirmation from all the Independent Directors that they have registered themselves in the Independent Director's Data Bank of Indian Institute of Corporate Affairs at Manesar in compliance with the provisions of sub-rule (1) of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

xi. Cessation and appointment of Key Managerial Personnel: During the year under review, Mr. Mohit Kumar Donter, Chief Financial Officer resigned from the services of the Company w.e.f. close of business hours of June 30, 2023. The Board of Directors on the recommendation of NRC appointed Mr. Davinder Dogra as the Chief Financial Officer of the Company w.e.f. July 01, 2023 who resigned from the services of the Company w.e.f. close of business hours of September 30, 2023. Further, the Board of Directors on the recommendation of NRC has appointed Mr. Sachin Naik as the Chief Financial Officer of the Company w.e.f. December 06, 2023.

Your Directors recommend appointment / re-appointment of the above said directors in the ensuing AGM.

Apart from the above, there is no other change in the directors and Key Managerial Personnel during the year under review and thereafter.

Board Evaluation

In compliance with the applicable provisions of the Act and SEBI Listing Regulations, the Board of Directors on recommendation of the NRC had 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.

An annual performance evaluation of all Directors, the Committees of the Board and the Board as a whole was carried out during the year under review. For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded. The Board of Directors has expressed its satisfaction with the evaluation process.

Public Deposits

During the year under review, your Company has not invited or accepted any deposits from the public / members pursuant to the provisions of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as at the beginning and end of the financial year 2023-24.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The particulars regarding conservation of energy, technology absorption and foreign exchange earnings & outgo, as required under Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 ("Accounts Rules") are given in **Annexure - III** hereto and forms part of this Report.

Auditors and Audit Reports

i) Statutory Auditors and Audit Report: Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Regn. No. 001076N/N500013), were appointed by the members at the 120th AGM of the Company held on September 29, 2022, as Statutory Auditors of the Company, for a period of five (5) consecutive years till the conclusion of the 125th AGM of the Company.

   M/s. Walker Chandiok & Co. LLP has confirmed that they are not disqualified from continuing as Statutory Auditors of the Company.

   The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2024. The management response to the observations / comments contained in the Auditors' Report and Annexure thereto has been suitably given in the respective Notes to the Financial Statements referred to therein.

   Further, the Key Audit Matter as contained in the Auditors' Report on the Standalone Financial Statements is also mentioned as Key Audit Matter in the Auditors' Report on the Consolidated Financial Statements in similar manner. The management response thereto has been suitably given in the respective Notes to the Financial Statements referred to therein.

   The Notes to financial statements and other observations, if any, in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

   During the financial year 2023-24, the Statutory Auditors have not reported any incident related to fraud to the Audit Committee or the Board under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

ii) Secretarial Auditors and Secretarial Audit Report: Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Managerial Personnel Rules, the Board of Directors had appointed M/s. MAKS & Co., Practicing Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2023-24. The Secretarial Audit Report issued by them is annexed as **Annexure - IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. During the financial year 2023-24, the Secretarial Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

   In addition to the above and in compliance with SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 08, 2019, a report on secretarial compliance issued by M/s. MAKS & Co., Practicing Company Secretaries for the year ended March 31, 2024 has been submitted to stock exchanges. The same is available on the website of the Company at https://www.shalimarpaints.com/uploads/Annual_Secretarial_Compliance_Report__March_2024.pdf

   The Board of Directors, upon the recommendation of the Audit Committee, at their meeting held on August 08, 2024 has appointed M/s. MAKS & Co., Practicing Company Secretaries, as Secretarial Auditors, for conducting Secretarial Audit of the Company for the financial year 2024-25.

iii) Cost Auditors and Audit Report: Pursuant to Section 148(1) of the Act, for the financial year 2024-25, the Company is required to maintain cost records as specified by the Central Government. In accordance with the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor. The Board of Directors, upon the recommendation of the Audit Committee, has appointed M/s. Sanjay Gupta & Associates, Cost Accountants, for this purpose for the financial year 2024-25.

The remuneration payable to the Cost Auditors for the financial year 2024-25, as recommended by the Audit Committee and approved by the Board, shall be placed for ratification by members at the ensuing AGM in terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Risk Management

Risk management is integral to your Company's strategy and for the achievement of our long-term goals. Our success as an organization depends on our ability to identify and leverage the opportunities while managing the risks. Your Company has developed and implemented comprehensive risk assessment and mitigation procedures as laid down in the Company's Risk Management Policy duly approved by the Board. The Risk Management Policy of the Company is available on the Company's website at the link: https://www.shalimarpaints.com/uploads/Risk-Management-Policy.pdf

Pursuant to Regulation 21 of SEBI Listing Regulations, the Board of Directors had constituted a Risk Management Committee. The purpose of Risk Management Committee is to assist the Board in fulfilling its responsibilities with regard to the identification, evaluation and mitigation of operational, strategic and environmental risks. It involves identifying potential events that may affect the Company, reviewing all risks, finalizing the risk document and formulating strategy to manage these events while ensuring that the risk exposure remains at the defined appropriate levels. The details of the composition and terms of reference of the Risk Management Committee are given in the Corporate Governance Report, forming integral part of Annual Report.

There are no risks identified by the Board which may threaten the existence of the Company. The detailed Risk Review is provided in the Management Discussion and Analysis Report, forming integral part of Annual Report.

Internal Financial Controls

Your Company has in place adequate internal financial controls commensurate to the size and nature of its business. The Company has policies and procedures in place for ensuring orderly and efficient conduct of its business and operations including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. The internal financial controls operate effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and / or improved controls whenever the effect of such gaps have a material effect on the Company's operations.

Board Meetings

The Board of Directors met six (6) times during the financial year 2023-24. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of the Annual Report.

Audit Committee

The Composition of the Audit Committee along with the details of meetings held during the financial year 2023-24 and attendance of Committee members at the said meetings, have been provided in the Corporate Governance Report, forming part of the Annual Report. All the recommendations made by the Audit Committee during the financial year 2023-24 were accepted by the Board.

General Meeting / Postal Ballot

During the financial year ended March 31, 2024, apart from AGM of the Company held on September 27, 2023, the Company had sought approval of the shareholders through the following Postal Ballot:

a. Postal Ballot notice dated April 07, 2023, for seeking approval of the shareholders for (i) Appointment of Ms. Shan Jain (DIN: 09661574) as Non-Executive Independent Director of the Company. The aforesaid matter was duly approved by the shareholders of the Company on May 10, 2023 and the result of postal ballot was declared on May 11, 2023.

During the current year, the Company had sought approval of the shareholders through the following Postal Ballot:

a. Postal Ballot notice dated May 17, 2024, for seeking approval of the shareholders for (i) Appointment of Mr. Aaditya Gajendra Sharda (DIN: 07024283) as a Director of the Company; and (ii) Re-appointment of Dr. Rajeev Uberoi (DIN: 01731829) as an Independent Director of the Company for a second term of three (3) consecutive years. The aforesaid matters were duly approved by the shareholders of the Company on July 04, 2024 and the result of postal ballot was declared on July 05, 2024.

Nomination and Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Act, Regulation 19(4) of SEBI Listing Regulations and as per the recommendations of NRC, the Board has adopted a policy for appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company. The compensation and packages of the aforesaid persons are designed in terms of remuneration policy framed by the NRC. The remuneration policy of your Company may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf.

Weblink of Annual Return

As required pursuant to Section 134 and 92(3) of the Act, the Annual Return of the Company for the financial year ended on March 31, 2024 is available on the Company's website and can be viewed at: https://www.shalimarpaints.com/investors-relations/annual-return.

Related Party Transactions

All contracts / arrangements / transactions entered by the Company with Related Parties during the year under review were in ordinary course of Business and at arm's length basis. As per the provisions of Section 177 of the Act and Rules made thereunder read with Regulation 23 of the SEBI Listing Regulations, your Company had obtained approval of the Audit Committee under omnibus approval route and / or under specific agenda items for entering into such transactions.

The Company has not entered into any material related party transactions during the year under review. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 in the prescribed Form AOC-2 is not applicable.

Your Directors draw attention of the members to notes to the financial statements which inter-alia set out related party disclosures. As per the provisions of the Section 188 of the Act and Regulation 23 of SEBI Listing Regulations, your Company has formulated a policy on Related Party Transactions which is available on Company's website at the link https://www.shalimarpaints.com/uploads/Related-Party-Policy.pdf. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and the Related Parties.

Particulars of Employees and Related disclosures

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 ("Managerial Personnel Rules") are provided in the prescribed format and annexed herewith as **Annexure - V** to this Report.

The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) & (3) of the Managerial Personnel Rules, is provided in a separate annexure forming part of this Report. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection at the Corporate Office of the Company during working hours till the date of AGM and any member interested in obtaining such information may write to the Secretarial Department of the Company and the same will be furnished on request.

Particulars of Loans, Guarantees or Investments

The Company has made investments or extended loans to its wholly owned subsidiaries for their business purposes. The particulars of loans and guarantees given, security provided and investments made, if any, covered under the provisions of Section 186 of the Act have been disclosed in the notes to the Financial Statements forming part of the Annual Report.

Material changes and commitments, if any, affecting the financial position of the Company

As required under Section 134(3) of the Act, the Board of Directors inform the members that during the year under review, there have been no material changes, except as disclosed elsewhere in the Annual Report:

- in the nature of Company's business;
- in the Company's subsidiaries or in the nature of business carried out by them; and
- in the classes of business in which the Company has an interest.

Further, except as disclosed elsewhere in the Annual Report, there have been no material changes and commitments which can affect the financial position of the Company between the end of the financial year and the date of this Report.

Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e., SS-1 and SS-2, issued by The Institute of Company Secretaries of India relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively have been duly followed by the Company, during the year under review.

Directors' Responsibility Statement

Pursuant to the requirement under Section 134(5) of the Act with respect to directors' responsibility statement, it is hereby confirmed that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to 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 as at March 31, 2024 and of the loss of the Company for the year ended March 31, 2024;

c) the directors have taken proper and sufficient care for the 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 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 were 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.

Listing on Stock Exchanges

The Equity Shares of the Company continue to be listed on BSE Limited and National Stock Exchange of India Limited. The requisite annual listing fees for the financial year 2024-25 have been paid to these Exchanges. The addresses of these Stock Exchanges and other information for shareholders are given in the Corporate Governance Report as contained in the Annual Report.

Report on Corporate Governance

Your Company strive to maintain the high standards of transparency and Corporate Governance. The report on Corporate Governance for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI Listing Regulations is presented in a separate section and forms an integral part of the Annual Report. The certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached thereto and forms part of the Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year 2023-24, as required pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, is presented in a separate section and forms an integral part of the Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's various businesses viz., decorative business, industrial and home improvement business, international operations, internal controls and their adequacy, risk management systems and other material developments during the financial year 2023-24.

Business Responsibility and Sustainability Report

SEBI vide its notification dated May 05, 2021, had made it mandatory to publish a Business Responsibility and Sustainability Report ("BRSR") by the top 1000 listed companies based on market capitalization replacing Business Responsibility Report in their Annual Report in terms of Regulation 34(2)(f) of the SEBI Listing Regulations with the Stock Exchanges w.e.f. FY 2022-23. The BRSR requires disclosure on the Company's performance against the nine principles of the National Guidelines on Responsible Business Conduct.

The BRSR for the financial year 2023-24, as required pursuant to Regulation 34 of SEBI Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective, can be viewed on the Company's website at: https://www.shalimarpaints.com/investors-relations/annual-reports and forms an integral part of the Annual Report.

The policies referred in the above said report can be viewed on the Company's website at: https://www.shalimarpaints.com/investors-relations/corporate-governance.

Corporate Social Responsibility

Shalimar has been an early adopter of Corporate Social Responsibility ("CSR") initiatives. Your Company's overarching aspiration to create significant and sustainable societal value is manifest in its CSR initiatives. CSR is traditionally driven by a moral obligation and philanthropic spirit. Through CSR there is a formation of a dynamic relationship between Company on one hand and the society and environment on the other. However, as there were no profits in terms of the provisions of Section 198 of the Act during last three financial years, the Company was not required under Section 135 of the Act, to incur expenditure on CSR during the financial year 2023-24.

The CSR Committee has formulated and recommended to the Board, a CSR Policy indicating the focus areas of Company's CSR activities. The CSR Policy of the Company is available on the Company's website at the link: https://www.shalimarpaints.com/uploads/Corporate_Social_Responsibility_Policy.pdf

The details of the composition and terms of reference of the CSR Committee are given in the Corporate Governance Report, forming part of the Annual Report. The Annual Report on CSR Activities (including the details of the development and implementation of the CSR Policy) as prescribed under Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **Annexure - VI** to this Report.

Vigil Mechanism / Whistle Blower Policy

Pursuant to the provisions of Section 177(9) of the Act read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of SEBI Listing Regulations and Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, your Company has a Vigil Mechanism / Whistle Blower Policy for directors, employees and business associates to report genuine concerns regarding any unethical behavior or wrongful conduct and to enable employees to report instances of leak of unpublished price sensitive information. This Policy is available on the website of the Company and can be accessed at https://www.shalimarpaints.com/uploads/Whistle_Blower_Policy.pdf

The Policy provides for adequate safeguards against victimization of whistle blower who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

Your Company hereby affirms that no director / employee has been denied access to the Chairman of the Audit Committee and that no complaint has been received during the year under review.

Policy on Prevention of Sexual Harassment at Workplace

To foster a positive workplace environment free from harassment of any nature, your Company has in place a Policy on prevention of sexual harassment at workplace in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("POSH Act"). The Policy aims at prevention of harassment of women employees and guarantees non-retaliation to complainants. Your Company has complied with the provisions relating to constitution of Internal Committee under the POSH Act for dealing with the complaint, if any, relating to sexual harassment of women at workplace.

Further, in terms of the provisions of the SEBI Listing Regulations, the details in relation to the POSH Act, for the financial year ended on March 31, 2024 are as under:

a) Number of complaints pertaining to sexual harassment filed during the financial year: NIL

b) Number of complaints pertaining to sexual harassment disposed off during the financial year: NIL

c) Number of complaints pertaining to sexual harassment pending as at the end of the financial year: NIL

Insolvency and Bankruptcy Code, 2016

During the year under review, no application has been admitted against the Company under Insolvency and Bankruptcy Code, 2016.

Green Initiatives

Electronic copies of the Annual Report 2023-24 and the notice of the 122nd AGM are being sent to all members whose email addresses are registered with the Company / Depository Participant(s). The Members holding shares in physical form who have not registered their email addresses with the Company and who wish to receive the Annual Report for the year 2023-24 can now register their e-mail addresses with the Company. For this purpose, they can send scanned copy of signed request letter mentioning folio number, complete address and the email address to be registered along with self-attested copy of the PAN Card and any document supporting the registered address of the Member, by email to the Company at askus@shalimarpaints.com.

Acknowledgements

Your Directors wish to express their grateful appreciation for the valuable support and co-operation received from the shareholders, investors, financial institutions, banks / other lenders, customers, vendors and other business associates during the year. Your Directors also place on record their appreciation for the contribution made by our employees at all levels. Our continuous operation has been made possible due to their hard work, solidarity, cooperation and support. Your Directors would also like to express their gratitude to the Government of India and government agencies for their support and look forward to their continued support in the future.

For and on behalf of the Board of Directors

Place: Mumbai
Date: August 08, 2024

Venugopal Chetlur
COO & Whole-time Director
DIN: 08686707

Vijay Kumar Sharma
Director
DIN : 01468701

Shalimar Paints Limited

Employee Stock Option Schemes

(Disclosure pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations") and Section 62(1)(b) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014)

All the relevant details of the Company's Employee Stock Option Schemes are provided below and are also available on the website of the Company at https://www.shalimarpaints.com/investors-relations/annual-reports

1. General Disclosures

a. Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share based payments' issued in that regard from time to time:

Refer Note No. 51 forming part of the standalone financial statements and Note No. 49 of the consolidated financial statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 - Share Based Payment.

b. Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

Refer Note No. 43 forming part of the standalone financial statements and Note No. 41 of the consolidated financial statements for the financial year 2023-24. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 - Earnings per share.

2. Scheme specific Disclosures

a. Details related to Shalimar Paints Limited Employee Stock Option Scheme 2013:

S. No.	Particulars	Disclosures
(i)	General terms and conditions of Scheme:	
	(a) Date of Shareholders' Approval	August 06, 2013
	(b) Total number of options approved under Scheme	5% of the Paid-up Equity Share Capital of the Company
	(c) Vesting requirements	Not Applicable as no options are outstanding as on March 31, 2024
	(d) Exercise price or pricing formula	The options to be granted at either of the following exercise prices as decided by the Remuneration Committee: a) At a price equal to the market price, being latest available closing price, prior to the date of the meeting of the Board of Directors/Remuneration Committee, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or b) At a price upto 33% discount to the market price as defined in sub-clause (a) above.
	(e) Maximum term of options granted	Options granted shall be capable of being exercised within a period of four years from the date of vesting
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	N.A.
(ii)	Method used to account for Scheme - Intrinsic or Fair Value	Fair Value Method
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	N.A.

S. No.	Particulars	Disclosures
(iv)	Option movement during FY 2023-24:	
	(a) Number of options outstanding at the beginning of the period	Nil
	(b) Number of options granted during the year	Nil
	(c) Number of options forfeited/lapsed during the year	Nil
	(d) Number of options vested during the year	Nil
	(e) Number of options exercised during the year	Nil
	(f) Number of shares arising as a result of exercise of options	Nil
	(g) Money realised by exercise of options (Rs.), if scheme is implemented directly by the Company	Nil
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	Nil
	(j) Number of options exercisable at the end of the year	Nil
(v)	Weighted-average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable as no stock options were granted during the year.
(vi)	Employee wise details of options granted during FY 2023-24 to:	
	(a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Nil
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	(a) Weighted-average values of share price	N.A.
	Exercise price	111.22
	Expected volatility	69.57%
	Expected option life	N.A.
	Expected dividends	N.A.
	Risk-free interest rate	8.15%
	Any other inputs to the model	N.A.
	(b) The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of options has been calculated by using Black Scholes Valuation Model
	(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility?	The expected volatility was determined based on historical volatility data. The volatility has been considered for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. Monthly volatility of the Company's stock price on BSE over these years has been considered.
	(d) Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition?	N.A.
(viii)	Disclosures in respect of grants made in three years prior to IPO under each ESOS	N.A.

b. Details related to Shalimar Paints Limited Employee Stock Option Scheme 2022:

S. No.	Particulars	Disclosures
(i)	General terms and conditions of Scheme:	
	(a) Date of Shareholders' Approval	September 29, 2022
	(b) Total number of options approved under Scheme	21,66,500
	(c) Vesting requirements	Vesting Period shall commence from the Grant Date subject to minimum of 1 year from the Grant Date and a maximum of 4 years from the Grant Date, at the discretion of and in the manner as may be determined by the Nomination and Remuneration Committee ("NRC" / "Committee").
	(d) Exercise price or pricing formula	The Exercise Price shall be such as may be decided by the Committee at the time of grant on the basis of Market Price of Shares. Market Price for this purpose shall mean the latest available closing price of Shares on the stock exchange having higher trading volume on the date immediately preceding the date of grant.
	(e) Maximum term of options granted	All Vested Options shall be exercisable in one or more tranches within a period of Six (6) months from the date of respective Vesting.
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	There have been no variations in the terms of the Options
(ii)	Method used to account for Scheme - Intrinsic or Fair Value	Fair Value Method
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	N.A.
(iv)	Option movement during FY 2023-24:	
	(a) Number of options outstanding at the beginning of the period	-
	(b) Number of options granted during the year	19,66,566
	(c) Number of options forfeited/lapsed during the year	6,55,426
	(d) Number of options vested during the year	Nil
	(e) Number of options exercised during the year	Nil
	(f) Number of shares arising as a result of exercise of options	Nil
	(g) Money realised by exercise of options (Rs.), if scheme is implemented directly by the Company	Nil
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	13,11,140
	(j) Number of options exercisable at the end of the year	Nil
(v)	Weighted-average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Weighted average exercise price Rs. 139.20 Weighted average fair value of options Rs. 46.79

S. No.	Particulars	Disclosures
(vi)	Employee wise details of options granted during FY 2023-24 to:	
	(a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Please refer Annexure - A
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	(a) Weighted-average values of share price	46.79
	Exercise price	139.20
	Expected volatility	35.49% - 50.56%
	Expected option life	1.25 to 4.25 years
	Expected dividends	0.00%
	Risk-free interest rate	6.99% - 7.14%
	Any other inputs to the model	-
	(b) The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of options has been calculated by using Black Scholes Valuation Model
	(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility?	The expected volatility was determined based on historical volatility data. The volatility has been considered for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. Monthly volatility of the Company's stock price on BSE over these years has been considered.
	(d) Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition?	N.A.
(viii)	Disclosures in respect of grants made in three years prior to IPO under each ESOS	N.A.

Annexure - A

Details of options granted to, and accepted by, Senior Managerial Personnel as defined under Regulation 16(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

S. No.	Name of Senior Managerial Personnel	Designation	No. of Options granted as on March 31, 2024
1.	Mr. Rakesh Gupta	Director - Manufacturing	35,920
2.	Mr. Kuldip Raina	Director - Sales, Marketing and Strategic Sourcing	35,920
3.	Ms. Shalini Adhaar	Chief Human Resource Officer	22,500
4.	Mr. Harcharan Singh	Chief Information Officer	18,000
5.	Mr. Sanjeev Gupta	Director - R&D	18,000
6.	Ms. Shikha Rastogi	Company Secretary & Head - Legal	10,800

Annexure - II to Director's Report

Form No. AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statements of Subsidiaries/Associate Company/Joint Venture

Part A : Subsidiaries

(Rs. in Lakhs)

Name of the Subsidiary	Shalimar Adhunik Nirman Limited	Eastern Speciality Paints & Coatings Private Limited
Reporting Period	April 01, 2023 to March 31, 2024	April 01, 2023 to March 31, 2024
Reporting Currency	INR	INR
Exchange Rate (in Rs.)	1.00	1.00
Share Capital	9.50	5.00
Reserves & Surplus	1,480.17	(3.61)
Total Assets	2,720.47	2.98
Total Liabilities	2,720.47	2.98
Investments	0.00	0.00
Turnover	0.00	0.00
Profit/(Loss) before Taxation	(45.59)	(0.31)
Provision for Taxation	0.00	0.00
Profit/(Loss) after Taxation	(45.59)	(0.31)
Proposed Dividend	0.00	0.00
% of shareholding	99.99%	100%

Note:

1. Name of subsidiaries which are yet to commence operation: None
2. Name of subsidiaries which have been liquidated or sold during the year: None

Part B: Associates and Joint Ventures - Not Applicable

For and on behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN: 01722395

Shan Jain
Director
DIN: 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary & Head - Legal
Mem. No:- ACS 18226

Place: Mumbai
Date: May 17, 2024

Annexure - III to Director's Report

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

(Pursuant to Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014)

A. Conservation of Energy

Shalimar Paints believes conservation of energy and resources, is not a choice but a compulsion, to help us save cost as well as a route to create sustainable development.

1. Steps taken towards conservation of energy:

Shalimar Paints have 4 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.

2. Steps taken by the Company for utilizing alternate sources of energy:

We have installed Solar panels on roof under outsourced model for 545 KW at Nashik Plant, where the infrastructure is funded by a third party and your company commits to a specified off take of the power generated at a cost which will be less than the present grid cost.

3. Capital investment on energy conservation equipments:

During the year under review, the Company has not made any capital investment towards energy conservation equipments other than increasing throughput leading to Lower Specific Power Consumption.

B. Technology Absorption

1. Efforts made towards technology absorption:

The Research & Development department (R&D) of your Company is aggressively pursuing following activities to achieve short and long term business objectives of the Company with emphasis on new trends in Paints and Coating business.

- New Product development - A large no. of new products developed in all segments of paints operated by Company e.g.
  - o Decorative Coatings - Enamels, Interior and water based decorative coatings.
  - o Industrial Coatings - Protective, OEM, General Industrial and Packaging coating segments.
- Value engineering activities - Regular value engineering activities undertaken by design modification, new product development, process improvement, introducing new & alternate raw materials etc.
- Carbon footprint reduction i.e. Green products have been initiated and work has been carried out using Bio based raw materials, developing products with Direct to Metal (DTM) Coatings concept, moving to high solid technology reducing Volatile Organic Compounds (VOC), with an ultimate goal to convert products to environment friendly level.
- Import Substitution - Lots of work has been initiated to use local raw material replacing imported raw material to reduce supply chain footprint and faster servicing of customer needs.
- Upgradation - Major modification / upgradation of products initiated to improve quality and boost image and confidence of customers.
- Efficiency - Reduction in factory level losses by optimization of formulation, reduction in processing time, upgradation of testing process and minimization of waste generation.
- Collaboration - Partnership initiated with suppliers for collaborative work.
- Testing / approvals - Food Grade products testings carried out with local and global agencies e.g. NSF, KTA and BIS (India) etc. to supply correct products to customers.
- NABL Certification - Company's R&D Laboratory is NABL certified and all processes are being carried out to meet certification requirements.

2. **Benefits derived as a result of above R&D activities:**

- 30+ new products introduced in the Decorative and Industrial coating segments.
- Green products portfolio increased by adding new high solid products.
- Value engineering and cost optimization of existing products.
- New segments of OEM, PEB etc. added to Company's business.

Following new products in Decorative segment have been developed during the financial year 2023-24

- Economy high on attributes interior emulsion paint developed and launched
- Satin finish for interior wall finish in solvent based system developed and launched
- Polyurethane (PU) Enamel developed
- Two pack Melamine word coating in gloss and matt developed and commercialised
- High performing exterior Damp proof coating with 8-10 degree temperature reduction developed
- Road marking paint meeting IS164 grade 1 developed
- 4 interior and exterior emulsion products upgraded and commercialised
- Clear coat for exterior developed and commercialised
- Low-cost epoxy DTM variant developed for pipe coatings
- Blue Epoxy for water pipeline developed
- Bitumen Aluminium for Pipeline coatings developed
- Fast cure paint system for maintenance costing, completes 3-layer painting in 10 hrs time, saving of 10-14 hrs of time
- High performing Weldable primer
- Zinc silicate with binder concept
- QD Socket paints
- QD black economical topcoat for pipe coating
- QD varnish for pipe coating
- PEB products complete range
- Flow coat for transformers
- PU base of Dealer segment
- OEM products, Primer, Various Topcoats, DTM blacks etc.
- Epoxy coatings for damp surfaces
- Epoxy coating for not so clean surfaces

Future plan of action:

- High Performance Fluoropolymer based Urethane Paint scheme for 25 years' life
- Solvent free polyurethane finish for above ground pipes
- Protective coatings as Pipe internal coating for efficient gas flow
- Water base single coat interior emulsion
- Water base hygienic emulsion for hospitals, food and pharmaceutical industries
- Water base premium VOC free Exterior emulsion with anti-viral and stain resistance properties
- Water base premium emulsion with 10-15 years' life
- Water base semi texture matt emulsion superior weather ability for coastal region
- Polyester based RC White and varnish for universal can coating
- Epoxy internal white can coating for 3P OTS can
- Polyurethane Selear, matt and glossy variants
- Water base DTM for metal structures in pipe and OEM segment

Initiatives towards Accreditation, Certification and Product Recognition:

- Company has received NABL accreditation of R&D Laboratory at Nashik for 2 years valid upto 2025
- Company has received NSF - US certification for Solvent free epoxy pipe coating manufactured at Sikandrabad and Nashik Plant
- Company has received recognition from DSIR for 3 years valid upto 2024

3. **Your Company has not imported any technology during last three years reckoned from the beginning of the financial year.**

Initiatives towards Green products development:

- Company has accorded highest priority in making the entire premium range of decorative products environment friendly - GREEN PRODUCTS.
- All new epoxy products developed were of high-volume solids of 80+
- Developed 5 New products with DTM technology eliminating need of anticorrosive primer. Reducing carbon footprint.
- Developed 3 new products using 30-35% bio based raw material.

4. **Expenditure incurred on Research and Development:**

(Rs. in Lakhs)

Particulars	**FY 2023-24**	**FY 2022-23**
Capital	1,179.46	58.66
Recurring	660.99	471.40
Total	**1,840.45**	**530.06**
Total R&D expenditure as percentage of turnover	3.47%	1.10%

C. Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

(Equivalent INR value of various currencies)

Particulars	**FY 2023-24**	**FY 2022-23**
Inflow	675.36	483.00
Outflow	1,081.77	2,214.80

For and on behalf of the Board of Directors

Venugopal Chetlur
COO & Whole-time Director
DIN: 08686707

Vijay Kumar Sharma
Director
DIN: 01468701

Place: Mumbai
Date: August 08, 2024

Annexure - IV to Director's Report

Secretarial Audit Report

For the Financial Year Ended March 31, 2024

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

Shalimar Paints Limited

Stainless Centre, 4th Floor, Plot No. 50,

Sector 32, Gurugram, Haryana - 122 001

[CIN: L24222HR1902PLC065611]

We, M/s. MAKS & Co., Company Secretaries (FRN: P2018UP067700) have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to corporate governance practices by **Shalimar Paints Limited** [hereinafter referred as 'the **Company**'] for financial year ended March 31, 2024 ("**Audit Period**"). The 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.

Limitation of the Auditors

(i) Based on our 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, complied with the statutory provisions listed hereunder; and

(ii) Based on the confirmation and explanation wherever required by us, the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditor's Responsibility

(i) Our responsibility is to express the opinion on the compliance with the applicable laws, as per prescribed format, and maintenance of records based on audit. We conducted our audit in accordance with the Guidance Note on Secretarial Audit **("Guidance Note")** and Auditing Standards issued by the Institute of Company Secretaries of India **("ICSI")**. The Guidance Note and Auditing Standards require that we comply with statutory and regulatory requirements and also that we plan and perform the audit so as to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

(ii) Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

(iii) We believe that the audit evidence which we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's Board processes and compliance-mechanism.

The Members are requested to read Secretarial Audit Report ("**Report**") along with our letter dated August 07, 2024 enclosed herewith to this Report as **Annexure - A**.

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the applicable provisions, as amended, of:

   i) The Companies Act, 2013 (the **'Act'**) and the Rules made thereunder read with notification(s) issued by Ministry of Corporate Affairs;

   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 following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):

      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, 2015;

      c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

      d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; *(Not applicable to the Company during the Audit Period)*

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 clients; *(Not applicable since the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit Period)*

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; *(Not applicable to the Company during the Audit Period)*

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; *(Not applicable to the Company during the Audit Period);* and

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as **'SEBI (Listing) Regulations, 2015'**).

2. Based upon the Management Representation, wherever required from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, 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 of other Act, Laws and Regulations specifically applicable to the Company.

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

   (a) the Secretarial Standards issued by the Institute of Company Secretaries of India, with respect to board and general meetings (hereinafter referred as '**Secretarial Standards**'); and

   (b) the **SEBI (Listing) Regulations, 2015** and the Listing Agreements entered by the Company with the National Stock Exchange of India Limited and the BSE Limited.

4. During the period under review, to the best of our knowledge and belief and according to the information and explanations given to us, the Company has been generally regular in compliance with the provisions of the Acts, Rules, Regulations and Secretarial Standards as mentioned above except as herein below:

   - *As on March 31, 2024, the Company is not complying the minimum public shareholding (i.e. 25% of total Paid-up Capital) requirement as per Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 ('SCRR') read with Rule 19A of the SCRR and Regulation 38 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.*

5. We further report that compliance of applicable financial laws including direct and indirect tax laws and maintenance of financial records and books of accounts by the Company has not been reviewed in this audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

6. We further report that:

   i. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors and Non-Executive Directors and Independent Directors including Women Director. Further, 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.

   ii. Adequate notices were given to all directors to schedule the Board and Committee Meetings. Notice(s) of Board and Committee Meetings were sent at least seven days in advance of the Meeting and where any Board or Committee Meeting was held on shorter notice the same was conducted in compliance with the Act. A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the Meetings.

   iii. Decisions of Board/Committee are carried through majority. We have been informed that there were no dissenting members' views on any of the matters during the year that were required to be captured and recorded as part of the minutes.

   iv. 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.

   v. We further report that during the Audit Period, the Company had no specific actions having bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, standards, guidelines etc., except as mentioned herein below:

      (a) Upon receipt of redemption notice, the Company, on August 22, 2023, redeemed 30,55,556, 9% Optionally Convertible Debentures, having face value of Rs. 180/- each, issued to Hella Infra Market Private Limited, by making full payment along with accrued interest thereon;

      (b) Consequent to the exercise of their option by the warrants holders to convert warrants into equity shares and upon receipt of balance 75% of the subscription money on said Warrants, the Company, on October 11, 2023, allotted 1,14,94,252 equity shares of face value of Rs. 2/- each at an issue price of Rs. 130.50 each to the warrant holders as per their entitlement on account of conversion;

(c) Hella Infra Market Private Limited (**"HIMPL"**) acquired (i) an aggregate of 78,03,400 equity shares from open market in a series of acquisitions undertaken between October 03, 2023 to January 04, 2024 pursuant to SE Share Purchase; (ii) 57,47,126 equity shares on October 11, 2023 pursuant to conversion of warrants into equity shares; and (iii) 1,26,46,650 equity shares on March 11, 2024 pursuant to the open offer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Pursuant to above acquisitions:

(1) HIMPL become one of the promoters of the Company w.e.f. March 11, 2024; and

(2) the minimum public shareholding requirement as per Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 (**'SCRR'**) read with Rule 19A of the SCRR and Regulation 38 of the SEBI Listing Regulations fell below 25% of the total Paid-up Equity Share Capital of the Company.

d) SEBI has issued Show Cause Notice (**'SCN'**) on February 28, 2024 to Mr. Ashok Kumar Gupta, Managing Director of the Company, in violation of the provisions of Regulations 9A(1) and 9A(2)(b) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 w.r.t. his failure to identify the event of raising funds by the Company through issuance of equity shares and optionally convertible debentures as the unpublished price sensitive information.

However, pursuant to the reply filed by Mr. Ashok Gupta on April 08, 2024 and on the basis of personal hearing took place on May 14, 2024, the SEBI, through its adjudication letter dated July 5, 2024, disposed of the SCN issued on February 28, 2024 without imposing any penalty.

For **M/s MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No.: F9719
Certificate of Practice No.:14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719F000919254

Date: August 07, 2024
Place: Noida (Uttar Pradesh)

Annexure - A to Secretarial Audit Report dated August 07, 2024

To,
The Members,
Shalimar Paints Limited
Stainless Centre, 4th Floor, Plot No. 50,
Sector 32, Gurugram, Haryana - 122 001
[CIN: L24222HR1902PLC065611]

The Secretarial Audit Report dated August 07, 2024 is to be read with this Letter.

1. The compliance of provisions of all laws, rules, regulations and standards applicable to Shalimar Paints Limited [hereinafter referred as 'the **Company**'] is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility is to issue Secretarial Audit Report, based on the audit of the relevant records maintained and furnished to us by the Company, along with explanations where so required.

3. 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 followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.

4. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as it is taken care in the statutory audit process.

5. We have relied upon the management confirmation and compliance certificates, as presented to the Board, on compliance of laws, rules and regulations and happening of events, wherever required.

6. This 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.

For **M/s MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No.: F9719
Certificate of Practice No.:14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719F000919254

Date: August 07, 2024
Place: Noida (Uttar Pradesh)

SHALIMAR PAINTS

Annexure - V to Director's Report

Details of remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2024

S. No.	Particulars	Details	
I.	The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2023-24	Ratio of the remuneration of Mr. Ashok Kumar Gupta* (Managing Director) to the median remuneration of employees is 96:04. Notes : 1. Sitting fees paid to the Non-Executive Independent Directors have not been considered under this clause. Non-Executive Non-Independent Directors received no remuneration during the financial year 2023-24. 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, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2023-24	Name of the Director & KMP	% increase in remuneration
		Mr. Ashok Kumar Gupta* (Managing Director)	-
		Mr. Mohit Kumar Donter (Ceased to be Chief Financial Officer w.e.f. June 30, 2023)	Not Comparable (Since information for FY 2023-24 was for part of the year, same is not comparable)
		Mr. Davinder Dogra (Chief Financial Officer appointed w.e.f. July 01, 2023 and ceased w.e.f. September 30, 2023)	Not Applicable
		Mr. Sachin Naik (Chief Financial Officer appointed w.e.f. December 06, 2023)	Not Applicable
		Ms. Shikha Rastogi (Company Secretary & Head - Legal)	19.40 %
		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.	The percentage increase in median remuneration of employees in the financial year 2023-24	10.39 %	
		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.	The number of permanent employees on the rolls of the company	670 Employees as at March 31, 2024	
V.	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	The average percentile increase made in the salaries of employees other than the managerial personnel was 10% which is in line with the average increase of 10% 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.	
VI.	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.	

* Ceased to be Managing Director of the Company w.e.f. July 02, 2024

For and on behalf of the Board of Directors

Venugopal Chetlur
COO & Whole-time Director
DIN: 08686707

Vijay Kumar Sharma
Director
DIN: 01468701

Place: Mumbai
Date: August 08, 2024

Annexure - VI to Director's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline of the Company's CSR Policy:

   Our corporate governance practices are a reflection of our value system encompassing our culture, policies and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Corporate Governance is about maximizing shareholder's value legally, ethically and sustainably. At Shalimar, our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavor to enhance long-term shareholder value and respect minority rights in all our business decisions.

   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.

2. Composition of the CSR Committee:

   The composition of the CSR Committee as on March 31, 2024 was as follows:

S. No.	Name	Position	Category
1.	Ms. Shan Jain	Chairperson	Independent Director
2.	Mr. Ashok Kumar Gupta*	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

   * Ceased to be director of the Company w.e.f. 02.07.2024

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company: https://www.shalimarpaints.com/investors-relations

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

6. Average net profit of the company as per section 135(5) - (Rs. 5,660.85) Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) - Not Applicable
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Not Applicable
   (c) Amount required to be set off for the financial year, if any - Not Applicable
   (d) Total CSR obligation for the financial year (7a+7b-7c) - Not Applicable

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (Rs. in lakhs)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
2.50	-	-	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Rs. In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implem-entation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Promoting Education	Education	No	West Bengal	Howrah	-	2.50	2.50	NIL	Yes	NA	NA
	Total					-	2.50	2.50				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/No)	Mode of Implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
Nil									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 2.50 lakhs

(g) Excess amount of set off, if any: Not applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: Not Applicable

For and on behalf of the CSR Committee

Rajeev Uberoi
Chairman, CSR Committee
DIN: 01731829

Venugopal Chetlur
COO & Whole-time Director
DIN: 08686707

REPORT ON CORPORATE GOVERNANCE

Your Company evolves and follows corporate governance guidelines and best practices sincerely, not just to boost long term shareholder value, but also to respect minority rights. We consider it our inherent responsibility to disclose timely and accurate information regarding our operations and performance as well as the leadership and governance of the Company.

1. Company's Philosophy on the Code of Corporate Governance

Your Company firmly believes that maintaining high standards of corporate conduct towards its shareholders, customers, employees, all other stakeholders and society in general is paramount for its sustained growth and success. The Company aims to achieve excellence in everything it does including standards of business conduct.

Good Corporate Governance is not an end in itself. It is the means to create confidence with stakeholders and establish business integrity for an organization. We adhere to the principles of integrity, execution, excellence, customer orientation and leadership in an ethical manner and thereby attain the highest goals of corporate achievement. Corporate Governance is about maximizing shareholder's value legally, ethically and sustainably. At Shalimar, our Board exercises its fiduciary responsibilities in the widest sense of the term.

Your Company recognizes communication as a key element of the overall corporate governance framework and therefore, emphasize on seamless and efficient flow of relevant communication to all external constituencies. The Company believes that appropriate disclosure procedures, transparent accounting policies, strong and independent Board practices and highest level of ethical standards are critical to enhance and retain investors' trust and generate sustainable corporate growth.

2. Board of Directors

Your Company believes that an enlightened Board consciously creates a culture of leadership to provide a long-term vision and policy approach to improve the quality of governance. The Board of Directors plays a critical role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. The Board provides effective leadership and strategic guidance to the Company's management while discharging its responsibilities, thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.

a. Composition, Category & Size of Board of Directors:

As on March 31, 2024, the Board of your Company consisted of 7 directors out of whom 1 was executive director, 4 were non-executive independent directors (including one woman director) and 2 were non-executive non-independent directors.

The size and composition of the Board of Directors of your Company is in conformity with the requirements of Regulation 17(1) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") enjoining optimum combination of executive and non-executive directors, with not less than 50 percent of the Board comprising of non-executive directors and at least one-third comprising of independent directors.

The Company has an appropriate blend of Board of Directors, representing a judicious mix of professionalism, knowledge and experience in one or more areas. The Board of Directors possess experience in diverse fields including banking, finance, marketing, branding and consumer industry. The skill and knowledge of the Directors has proved to be of immense value to the Company.

b. Board functioning and procedure:

i) Scheduling and Selection of Agenda items:

The Board meets at least once in a quarter, with a maximum time gap of 120 days between any two meetings, to discuss and review the financial results, performance of the Company and other items on the agenda, including the minimum information required to be placed before the Board, as per Part A of Schedule II of SEBI Listing Regulations. The Board also meets and conducts additional meetings as and when required and thought fit by giving appropriate notice to the Directors. The meetings are usually held at the Company's Corporate Office at Gurugram. The Board also approves permitted urgent matters by passing the resolutions through circulation.

The Company Secretary, in consultation with the Chairman of the Board / Managing Director and other concerned persons in the senior management, finalizes the agenda papers for the Board / Committee meetings. The agenda of the meeting along with relevant supporting documents and explanatory notes is generally circulated in advance (at least one week before the meeting) to all the directors entitled to receive the same, to facilitate meaningful and quality discussions during the meeting. Where it is not possible to attach any document to the agenda, the same is placed at the meeting with specific reference to this effect in the agenda. With the permission of Chairman and all other directors present at the meeting, additional or supplementary item(s) in the agenda are taken up for discussion and consideration. Sensitive matters may be discussed at the meeting without written material being circulated in advance for the meeting.

With a view to leverage technology and with the perspective of environmental preservation, agenda papers / presentations are circulated in electronic form. Presentations are made by the management on the financial / operational performance of the Company and other matters on a periodic basis. The decisions are taken on the basis of consensus / majority arrived at after detailed discussions.

ii) Recording Minutes of the Proceedings:

The minutes of the proceedings of each Board / Committee / Shareholders' Meetings are recorded. Draft minutes of the Board / Committee meetings are circulated amongst all the members of the Board / Committee within 15 days of the meetings for their comments / inputs. The Directors are requested to share their comments / inputs within 7 days of circulation of draft minutes. Thereafter, the minutes of all the meetings are entered in the respective minutes book within thirty days from the conclusion of the meeting and signed by the Chairman of the next Board / Committee meeting. Further, the signed copy of the minutes of the meeting(s) are circulated to all the Directors within 15 days of signing of the minutes.

iii) Post Meeting Follow-Up Mechanism:

The Company has an effective post meeting follow-up, review and reporting process for the action taken on decisions of the Board and Committees. Important decisions taken at the Board / Committee levels are promptly communicated to the concerned departments. Moreover, the action taken in respect of such decisions is also reported in the form of status report and is placed at the next meeting of the Board / Committee.

iv) Statutory Compliance of Laws:

The Board periodically reviews the compliance report of the laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

c. Board Meetings and Attendance:

During the financial year 2023-24, six (6) Board Meetings were held on May 27, 2023, June 28, 2023, August 11, 2023, November 09, 2023, December 06, 2023 and February 09, 2024. The gap between any two consecutive meetings was within the limit prescribed under the Companies Act, 2013 ("Act") and SEBI Listing Regulations. The necessary quorum was present during all the meetings. The Company effectively uses facility of audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

The attendance of Directors at Board Meetings held during the financial year 2023-24 and last Annual General Meeting ("AGM") and number of their other directorships & committee memberships / chairmanships as on March 31, 2024, is as under:

S. No.	Name of Director and Category of Directorship	No. of Board meetings held during the tenure	Attendance at meetings during 2023-24		No. of Shares held	No. of Directorships[$] and Committee Memberships/ Chairmanships[$$] held in other Companies			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM		Directorships	Committee Memberships	Committee Chairmanships	
1.	Dr. Rajeev Uberoi, NEID	6	6	Yes	Nil	10	7	1	• Jindal Stainless Limited - NEID • Aurionpro Solutions Limited - NEID • IL&FS Transportation Networks Limited - NEID • The Investment Trust of India Limited - NEID
2.	Mr. Abhyuday Jindal, NENID[#]	6	1	No	Nil	2	1	0	• Jindal Stainless Limited - MD
3.	Mr. Souvik Pulakesh Sengupta, NENID	6	0	No	Nil	11	0	0	Nil
4.	Mr. Ashok Kumar Gupta, MD[##]	6	6	Yes	2,60,635	4	1	0	• APL Apollo Tubes Limited - NENID • Apollo Pipes Limited - NENID
5.	Mr. Alok Perti, NEID[@]	2	2	NA	Nil	NA	NA	NA	NA

S. No.	Name of Director and Category of Directorship	No. of Board meetings held during the tenure	Attendance at meetings during 2023-24		No. of Shares held	No. of Directorships[$] and Committee Memberships/ Chairmanships[$$] held in other Companies			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM		Directorships	Committee Memberships	Committee Chairmanships	
6.	Mr. Atul Rasiklal Desai*	4	4	Yes	Nil	1	0	0	Nil
7.	Mr. Sanjiv Garg, NEID	6	6	Yes	Nil	4	0	0	Nil
8.	Ms. Shan Jain, NEID	6	6	Yes	Nil	1	0	0	Nil
9.	Mr. Vijay Kumar Sharma, NEID[@@**]	3	3	Yes	Nil	NA	NA	NA	NA

Note : MD = Managing Director, NEID = Non-Executive Independent Director, NENID = Non-Executive Non-Independent Director.

[$] Excludes directorship in foreign companies, membership of managing committees of various chambers / bodies / Section 8 companies and the Company.

[$$] In accordance with Regulation 26(1) of SEBI Listing Regulations, memberships / chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding the Company) have been taken into account.

\# Ceased to be director of the Company w.e.f. 15.07.2024

@ Ceased to be director of the Company w.e.f. 29.06.2023

@@ Ceased to be director of the Company w.e.f. 04.10.2023

Ceased to be MD of the Company w.e.f. 02.07.2024

* Appointed as NEID of the Company w.e.f. 28.06.2023

** Appointed as NEID of the Company w.e.f. 23.07.2024

None of the Directors on the Board:

i) is a Director in more than 20 companies (including not more than 10 public limited companies) as specified in Section 165 of the Act;

ii) is a member in more than 10 committees across all the public limited entities in which he / she is a director and / or acts as Chairperson of more than 5 committees across all the listed entities in which he / she is a director;

iii) is serving as a director / independent director in more than 7 listed companies including Shalimar Paints Limited.

None of the Independent Directors of the Company acts as a Whole-time Director / Managing Director in any listed company.

None of the aforesaid directors of the Company are related to each other.

d. Appointment / Re-appointment / Cessation of Directors:

Every appointment / re-appointment made to the Board is recommended by the Nomination and Remuneration Committee ("NRC") after considering various factors such as qualifications, positive attributes, area of expertise and other relevant criterias. The same is further taken up for shareholders' approval, as and when required, under the provisions of applicable laws.

During the year under review, Mr. Alok Perti and Mr. Vijay Kumar Sharma, Non-Executive Independent Directors, ceased to be directors of the Company w.e.f. June 29, 2023 and October 04, 2023, respectively.

Further, during the current year, Mr. Ashok Kumar Gupta has ceased to be the Managing Director of the Company w.e.f. July 02, 2024 and Mr. Abhyuday Jindal has ceased to be the Non-Executive Non-Independent Director of the Company w.e.f. July 15, 2024 pursuant to their resignation from Board of Directors of the Company.

During the year under review, the appointment of Mr. Atul Rasiklal Desai, who was appointed as Non-Executive Independent Director by the Board of Directors w.e.f. June 28, 2023, was approved by the shareholders at the AGM held on September 27, 2023.

Further, during the current year, the Board of Directors, on the recommendation of NRC, has appointed Mr. Aaditya Gajendra Sharda, as an Additional Director (in the category of Non-Executive Non-Independent Director) w.e.f. April 11, 2024 and re-appointed Dr. Rajeev Uberoi, as an Additional Director (in the category of Non-Executive Independent Director) for a second term of three (3) consecutive years w.e.f. May 11, 2024 and the aforesaid appointment / re-appointment have been approved by the shareholders of the Company through postal ballot passed on July 04, 2024.

Further, during the current year, the Board of Directors, on the recommendation of NRC, has appointed Mr. Vijay Kumar Sharma, as an Additional Director (in the category of Non-Executive Independent Director) for a period of three (3) consecutive years w.e.f. July 23, 2024 and Mr. Venugopal Chetlur, as an Additional Director as well as Whole-time Director (designated as

'Chief Operating Officer & Whole-time Director') of the Company under the category of Key Managerial Personnel of the Company w.e.f. July 23, 2024, for a consecutive term of three (3) years, subject to the approval of the shareholders of the Company. The detailed information pertaining to changes in Board of Directors is furnished in the Directors' Report, forming part of the Annual Report.

Further, Mr. Aaditya Gajendra Sharda, Director is liable to retire by rotation and being eligible, has offered himself for re-appointment as director at the ensuing AGM.

The brief resume, experience and other details pertaining to the Directors seeking appointment / re-appointment in the ensuing AGM, to be provided in terms of Regulation 36(3) of SEBI Listing Regulations, are contained in the Explanatory Statement forming part of the Notice of the ensuing AGM of the Company.

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

e. Confirmation regarding Independent Directors:

Your Company has received annual confirmations from the Independent Directors stating that they meet the criteria of independence as stated in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence as per Regulation 25(8) of the SEBI Listing Regulations. The Independent Directors have also confirmed that they are not disqualified under Section 164 of the Act. On the basis of confirmations / declarations / disclosures received from the Independent Directors and on evaluation of the relationship disclosed, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the Act and SEBI Listing Regulations and are independent of the management.

During the year under review, none of the Independent Directors resigned from the Company before the expiry of his / her tenure.

f. Meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Act read with the Rules thereunder and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on April 07, 2023 without the attendance of Non-Independent Directors and members of the management. All the Independent Directors were present at the said meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman and the Board of Directors as a whole, taking into account the views of the Executive and Non-Executive Directors. The Independent Directors also evaluated the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Chairman of the said meeting also provided the feedback to the Board about the key elements that emerge out of the meeting.

g. Registration in Independent Directors' Data Bank:

The Company has received confirmation from all the Independent Directors that they have registered themselves in the Independent Director's Data Bank of Indian Institute of Corporate Affairs at Manesar in compliance with the provisions of sub-rule (1) of rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014.

h. Performance Evaluation Criteria for Independent Directors:

In compliance with the applicable provisions of the Act and SEBI Listing Regulations, the Board of Directors on recommendation of the NRC had 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 through peer evaluation, excluding the director being evaluated.

An annual performance evaluation of all Directors, the Committees of the Board and the Board as a whole was carried out during the year under review. The evaluation of the Directors was based on various aspects, inter-alia, including the level of participation in the Board Meetings, understanding of their roles and responsibilities, business of the Company and effectiveness of their contribution. For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded. The Board of Directors has expressed its satisfaction with the evaluation process.

i. Familiarization Programme for Board Members including Independent Directors:

The Company has established a Familiarization Programme for Independent Directors in terms of the provisions of the SEBI Listing Regulations. The Board members are provided with necessary documents, reports and internal policies to enable them to familiarize with the Company's procedures and practices.

Periodic presentations are made by the Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, business risks and its mitigation strategy, impact of regulatory changes on strategy etc. Updates on relevant statutory changes encompassing important laws are regularly intimated to the Directors.

The Independent Directors are given every opportunity to interact with the Key / Senior Management Personnel and are given all the documents sought by them for enabling a good understanding of the Company, its management, its business model and business risks, nature of industry in which it operates, the regulatory challenges apart from their roles, rights, responsibilities in the Company, etc.

The framework and the details of familiarization programme conducted for Board members may be accessed on the Company's website at the links: https://www.shalimarpaints.com/uploads/Policy_on_Familiarisation_Program_for_Independent_Directors.pdf and https://www.shalimarpaints.com/uploads/Details_of_Familiarization_Programme_imparted_to_Independent_Directors__2024.pdf respectively.

j. Key skills / expertise / competencies available with the Board:

In terms of requirements of SEBI Listing Regulations and in the context of the Company's business and activities, the Board of Directors has identified the following key skills / expertise / competencies significant for the effective functioning of the Company which are currently available with the Board:

S. No.	Areas of Key Skill/ Expertise/ Competency	Dr. Rajeev Uberoi	Mr. Aaditya Gajendra Sharda[@]	Mr. Souvik Pulakesh Sengupta	Mr. Venugopal Chetlur [#]	Mr. Atul Rasiklal Desai	Mr. Sanjiv Garg	Ms. Shan Jain	Mr. Vijay Kumar Sharma[#]
1.	Sales & Marketing : Experience in sales and marketing management based on understanding of the consumer & consumer goods industry	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2.	International Business experience: Experience in leading businesses in different geographies/markets around the world	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3.	General management/ Governance: Strategic thinking, decision making and project interest of all stakeholders	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4.	Financial skills: Understanding the financial statements, financial controls, risk management, mergers and acquisitions, etc.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5.	Technical, professional skills and knowledge including legal and regulatory aspects	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

[@] Appointed as director of the Company w.e.f. 11.04.2024 # Appointed as director of the Company w.e.f. 23.07.2024

The Board is satisfied that it is comprised of highly qualified members who possess required skills, expertise and competencies which are required for effective functioning of the Company and allow them to make effective contributions to the Board and its Committees.

3. Board Committees

To ensure timely and effective functioning of the Board of Directors and the Company, in addition to compliance with the provisions of the Companies Act, 2013, Rules framed thereunder, SEBI Listing Regulations and other applicable regulations, guidelines, circulars and notifications of the Securities and Exchange Board of India ("SEBI"), the Board of Directors has constituted various Committees with specific terms of reference, which include Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee, Share Transfer Committee and Sub-Committee of Board of Directors. The Committees meet as often as required. The Board is updated on the discussions held at the Committee meetings and the recommendations made by the various Committees. The minutes of meetings of these Committees are placed at the Board meetings. All the recommendations made by the Committees to the Board of Directors during the financial year 2023-24 were accepted by the Board of Directors.

During the year under review, the Company constituted a Committee of Independent Directors to provide reasoned recommendations on open offer made by Hella Infra Market Private Limited to the eligible shareholders of the Company in accordance with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. During the current year, considering the current requirements / completion of the purpose for which the Committee was constituted / frequency of meetings, the Board of Directors dissolved the Committee of Independent Directors to provide reasoned recommendations on open offer, Sub-Committee of Finance and Business Transformation Committee.

3.1 Audit Committee

a. Composition: The composition of the Audit Committee conforms with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The composition of the Audit Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Dr. Rajeev Uberoi	Member	Independent Director
2.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director
3.	Ms. Shan Jain@	Member	Independent Director

@ Appointed as member w.e.f. 28.06.2023

All the members of the Committee are financially literate persons having vast experience in the area of finance, accounts, strategy & management. The Chairperson of the Audit Committee is an Independent Director.

b. Terms of Reference: The terms of reference and scope of the Audit Committee, inter-alia, include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommend to the Board, the appointment / re-appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
    - changes, if any, in accounting policies and practices and reasons for the same;
    - major accounting entries involving estimates based on the exercise of judgment by management;
    - significant adjustments made in the financial statements arising out of audit findings;
    - compliance with listing and other legal requirements relating to financial statements;
    - disclosure of any related party transactions; and
    - qualifications / modified opinion(s) in the draft audit reports.
- Reviewing with the management, the quarterly / annual financial results / statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Review of information by Audit Committee: Apart from other matters, as per Regulation 18(3) of SEBI Listing Regulations, the Audit Committee shall mandatorily review, to the extent applicable, the following information:

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- Internal Audit Reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the internal auditors; and
- Statement of Deviations, if applicable:
  - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  - (ii) Annual statements of funds utilized for purposes other than those stated in the offer documents / prospectus / notice, if applicable, in terms of Regulation 32(7) of SEBI Listing Regulations.

The Audit Committee has powers to investigate into any matter within its terms of reference or referred to it by the Board and for this purpose, the Audit Committee has full access to the information contained in the records of the Company and also has power to seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary.

d. Meetings of Audit Committee and attendance of members: During the financial year 2023-24, six (6) meetings of the Audit Committee were held on May 27, 2023, June 28, 2023, August 11, 2023, November 09, 2023, December 06, 2023 and February 09, 2024. Requisite quorum was present during all the meetings. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Alok Perti*	2	2
2.	Mr. Ashok Kumar Gupta*	2	2
3.	Dr. Rajeev Uberoi	6	6
4.	Mr. Souvik Pulakesh Sengupta	6	0
5.	Mr. Vijay Kumar Sharma#	3	3
6.	Mr. Sanjiv Garg*	2	2
7.	Ms. Shan Jain@	4	4

* Ceased to be member w.e.f. 28.06.2023
\# Ceased to be director of the Company w.e.f. 04.10.2023
@ Appointed as member w.e.f. 28.06.2023

The Audit Committee meets at least four times in a year, with a maximum time gap of 120 days between any two consecutive meetings.

The Chief Financial Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. All quarterly Committee meetings were attended by the representatives of Internal Auditors and Statutory Auditors. The Cost Auditors and other senior management personnel of the Company also attend the meeting as and when required. The Chairman of the Audit Committee was present at the last AGM of the Company to answer the queries of the shareholders.

3.2 Nomination and Remuneration Committee

a. Composition**:** The composition of the Nomination and Remuneration Committee conforms with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The composition of the Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Mr. Sanjiv Garg*	Chairman	Independent Director
2.	Dr. Rajeev Uberoi	Member	Independent Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

* Appointed as member w.e.f. 28.06.2023

The Committee comprises of non-executive directors with majority of independent directors. The Chairman of the Committee is an Independent Director.

b. Terms of Reference: The terms of reference of Nomination and Remuneration Committee, inter-alia, include the following:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Meetings of Nomination and Remuneration Committee and attendance of members: During the financial year 2023-24, five (5) meetings of the Nomination and Remuneration Committee were held on April 03, 2023, April 06, 2023, May 27, 2023, June 28, 2023 and December 06, 2023. Requisite quorum was present during all the meetings. The attendance of members of the Nomination and Remuneration Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Alok Perti*	4	4
2.	Dr. Rajeev Uberoi	5	5
3.	Mr. Souvik Pulakesh Sengupta	5	0
4.	Mr. Sanjiv Garg@	1	1
5.	Mr. Vijay Kumar Sharma#	4	4

* Ceased to be member w.e.f. 28.06.2023
@ Appointed as member w.e.f. 28.06.2023
# Ceased to be director of the Company w.e.f. 04.10.2023

The Company Secretary of the Company acts as the Secretary of the Committee. The Chairman of the Committee was present at the last AGM of the Company to answer the queries of the shareholders.

d. Nomination and Remuneration Policy: The Nomination and Remuneration policy of your Company is comprehensive which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. The Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the timely appraisal process.

The Nomination and Remuneration Policy of the Company has been disseminated on the website of the Company at the web link https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf.

e. Remuneration of Directors: Remuneration to Executive Director is paid by way of salary, perquisites and retirement benefits, based on recommendation of the Nomination and Remuneration Committee and approval of the Board and Shareholders within the limits prescribed in Schedule V to the Act. The Non-Executive Independent Directors are paid sitting fees for attending the meetings of the Board and Committees thereof. No stock options were granted to the Directors of the Company during the year under review. The Nomination and Remuneration Committee recommends to the Board the compensation package of the Executive Director.

The details of remuneration paid to the directors during the financial year 2023-24 are as under:

- Executive Director:

The details of remuneration paid to Mr. Ashok Kumar Gupta@, Managing Director during the year under review and other relevant disclosures are as follows:

Amount (in Rs.)

Name	Designation	Salary	Other Allowances	Contribution to PF and Other Funds	Total	Period of Agreement	Notice Period
Mr. Ashok Kumar Gupta@	Managing Director	2,49,99,996	Nil	Nil	2,49,99,996	Three (3) years from the date of appointment	2 Months

@ Ceased to be Managing Director of the Company w.e.f. 02.07.2024.

Mr. Ashok Kumar Gupta held 2,60,635 equity shares of Rs. 2/- each of the Company as on March 31, 2024.

- Non - Executive Independent Directors:

All the Non-Executive Independent Directors are being paid sitting fees for attending meetings of the Board and Committees thereof. The details of sitting fees paid to the Non-Executive Independent Directors during the financial year 2023-24 are as follows:-

Amount (in Rs.)

S. No.	Name of Director	Sitting Fees Paid
1.	Dr. Rajeev Uberoi	9,25,000
2.	Mr. Alok Perti*	3,00,000
3.	Mr. Sanjiv Garg	4,00,000
4.	Ms. Shan Jain	5,00,000
5.	Mr. Vijay Kumar Sharma**	3,75,000
6.	Mr. Atul Rasiklal Desai@	2,00,000

* Ceased to be director of the Company w.e.f. 29.06.2023
** Ceased to be director of the Company w.e.f. 04.10.2023
@ Appointed as non-executive independent director w.e.f. 28.06.2023

During the year under review, no commission has been paid to the Non-Executive Directors. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors except those disclosed in the Financial Statements for the financial year ended on March 31, 2024.

3.3 Stakeholders' Relationship Committee

a. Composition: The composition of Stakeholders' Relationship Committee conforms with the requirements of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The composition of the Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Mr. Sanjiv Garg	Chairman	Independent Director
2.	Mr. Ashok Kumar Gupta*	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director
4.	Ms. Shan Jain@	Member	Independent Director

* Ceased to be director of the Company w.e.f. 02.07.2024
@ Appointed as member w.e.f. 28.06.2023

b. Terms of Reference: The terms of reference of the Stakeholders' Relationship Committee, inter-alia, include the following:

- Resolving the grievances of the security holders of the Company including complaints related to transfer / transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc.;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent and recommend methods to upgrade the service standards adopted by the Company;
- Review various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company;
- Approve issue of duplicate shares / debentures certificates;
- Oversee the performance of the Company's Registrar & Share Transfer Agent; and
- Carry out any other matter relating to securities of the Company, any other areas of investors' service and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Meetings of Stakeholders' Relationship Committee and attendance of members: During the financial year 2023-24, one (1) meeting of the Stakeholders' Relationship Committee was held on November 09, 2023. Requisite quorum was present during the meeting. The attendance of members of the Committee at this meeting was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Sanjiv Garg	1	1
2.	Mr. Ashok Kumar Gupta*	1	1
3.	Mr. Souvik Pulakesh Sengupta	1	0
4.	Ms. Shan Jain@	1	1

* Ceased to be director of the Company w.e.f. 02.07.2024
@ Appointed as member w.e.f. 28.06.2023

The Company Secretary of the Company acts as the Secretary of the Committee. The Chairman of the Committee was present at the last AGM of the Company to answer the queries of the shareholders.

Ms. Shikha Rastogi, Company Secretary & Head - Legal is the Compliance Officer for the requirements of SEBI Listing Regulations. She is also the nodal officer of the Company.

d. Stakeholders' Grievance Redressal: The details of the investor's complaints received and resolved during the financial year 2023-24 are as follows:

No. of complaints pending as on April 01, 2023	Nil
No. of complaints received during the financial year	2
No. of complaints resolved during the financial year	2
No. of complaints pending as on March 31, 2024	Nil

The Company has appointed Beetal Financial & Computer Services Private Limited, Registrar & Share Transfer Agent ("R&T Agent" / "RTA") for servicing the shareholders holding shares in physical or dematerialized form. All requests for dematerialization of shares are likewise processed and confirmations thereof are communicated to the shareholders within the prescribed time. Efforts are made to ensure that all the grievances of the shareholders are redressed expeditiously and satisfactorily.

3.4 Risk Management Committee

a. Composition: The composition of the Risk Management Committee conforms with the requirements of Regulation 21 of SEBI Listing Regulations. The composition of the Risk Management Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Dr. Rajeev Uberoi	Chairman	Independent Director
2.	Mr. Ashok Kumar Gupta*	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

*Ceased to be director of the Company w.e.f. 02.07.2024

b. Terms of Reference: The terms of reference of the Risk Management Committee, inter-alia, include the following:

- Formulation of a detailed risk management policy which shall include:
  - a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy including evaluating the adequacy of risk management systems;
- Reviewing periodically the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- Coordinating its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the board of directors; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Meetings of Risk Management Committee and attendance of members: During the financial year 2023-24, two (2) meetings of Risk Management Committee were held on June 28, 2023 and December 06, 2023. Requisite quorum was present during all the meetings. The intervening period between two (2) consecutive meetings of Risk Management Committee was well within the maximum allowed gap of 180 days. The attendance of members of the Risk Management Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Vijay Kumar Sharma*	1	1
2.	Mr. Ashok Kumar Gupta#	2	2
3.	Dr. Rajeev Uberoi	2	2
4.	Mr. Souvik Pulakesh Sengupta	2	0

* Ceased to be director of the Company w.e.f. 04.10.2023
# Ceased to be director of the Company w.e.f. 02.07.2024

The Company Secretary of the Company acts as the Secretary of the Committee.

3.5 Corporate Social Responsibility Committee

a. Composition: The composition of Corporate Social Responsibility Committee conforms with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition of the Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Ms. Shan Jain	Chairperson	Independent Director
2.	Mr. Ashok Kumar Gupta*	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

*Ceased to be director of the Company w.e.f. 02.07.2024

The Company Secretary of the Company acts as the Secretary of the Committee.

b. Terms of Reference: The terms of reference of the Corporate Social Responsibility Committee, inter-alia, include the following:

- Formulating and recommending to the Board, the CSR Policy which shall indicate the activities to be undertaken by the Company;
- Recommending the amount of expenditure to be incurred on the aforesaid activities; and
- Reviewing and monitoring the CSR Policy of the Company from time to time.

c. Corporate Social Responsibility Policy:

The Corporate Social Responsibility Policy of the Company has been uploaded on the Company's website and can be accessed at: https://www.shalimarpaints.com/uploads/Corporate_Social_Responsibility_Policy.pdf

The details of the CSR initiatives as per the CSR Policy of the Company is annexed as Annexure - VI to the Director's Report in the Annual Report.

3.6 Share Transfer Committee

a. Composition: The Board of Directors has delegated the power of approving transfer / transmission / transposition of securities and other related formalities to the Share Transfer Committee. The Committee meets from time to time on need basis. The composition of the Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Mr. Ashok Kumar Gupta*	Chairman	Managing Director
2.	Mr. Sachin Naik$	Member	Chief Financial Officer
3.	Ms. Shikha Rastogi	Member	Company Secretary & Head - Legal

*Ceased to be director of the Company w.e.f. 02.07.2024
$ Appointed as member w.e.f. 08.01.2024

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. SEBI vide its Circular dated January 25, 2022 and Master Circular dated May 17, 2023 has mandated all listed companies to issue securities in dematerialised form only while processing the service request in relation to issue of duplicate securities certificate, claim from unclaimed suspense account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition.

b. Meetings of Share Transfer Committee and attendance of members: During the financial year 2023-24, eight (8) meetings of Share Transfer Committee were held on April 28, 2023, July 11, 2023, October 04, 2023, October 27, 2023, December 05, 2023, December 15, 2023, January 08, 2024 and March 13, 2024. Requisite quorum was present during the meeting. The attendance of members of the Committee at the meeting was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Ashok Kumar Gupta~	8	8
2.	Mr. Mohit Kumar Donter@	1	1
3.	Ms. Shikha Rastogi	8	8
4.	Mr. Davinder Dogra@@#	1	1
5.	Mr. Rakesh Gupta^*	4	4
6.	Mr. Sachin Naik$	2	2

~ Ceased to be director of the Company w.e.f. 02.07.2024
@ Ceased to be member w.e.f. 30.06.2023
@@ Appointed as member w.e.f. 04.07.2023
# Ceased to be member w.e.f. 21.09.2023
^ Appointed as member w.e.f. 21.09.2023
* Ceased to be member w.e.f. 08.01.2024
$ Appointed as member w.e.f. 08.01.2024

3.7 Sub-Committee of Board of Directors

a. Composition: The Board has constituted a Sub-Committee of Directors which has been delegated with certain powers of the Board of Directors in accordance with the provisions of the Act and the rules framed thereunder. The Committee meets from time to time on need basis to transact the matters of urgency. The composition of the Committee as on March 31, 2024 was as under:

S. No.	Name	Position	Category
1.	Mr. Ashok Kumar Gupta#	Chairman	Managing Director
2.	Ms. Shan Jain*	Member	Independent Director
3.	Mr. Atul Rasiklal Desai@	Member	Independent Director

Ceased to be director of the Company w.e.f. 02.07.2024
* Appointed as member w.e.f. 28.06.2023
@ Appointed as member w.e.f. 09.11.2023

b. Meetings of Sub-Committee and attendance of members: During the financial year 2023-24, five (5) meetings of Sub-Committee of Board of Directors were held on May 16, 2023, July 04, 2023, August 22, 2023, September 21, 2023 and January 08, 2024. Requisite quorum was present during all the meetings. The attendance of members of the Sub-Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Ashok Kumar Gupta#	5	5
2.	Mr. Alok Perti@	1	1
3.	Ms. Shan Jain*	4	4
4.	Mr. Vijay Kumar Sharma^	4	4
5.	Mr. Atul Rasiklal Desai$	1	0

Ceased to be director of the Company w.e.f. 02.07.2024
@ Ceased to be member w.e.f. 28.06.2023
* Appointed as member w.e.f. 28.06.2023
^ Ceased to be director of the Company w.e.f. 04.10.2023
$ Appointed as member w.e.f. 09.11.2023

The decisions taken at the Sub Committee meetings are reviewed by the Board at its subsequent meetings. The Company Secretary of the Company acts as the Secretary of the Committee.

4. Senior Management

Particulars of Senior Management Personnel of the Company as on March 31, 2024 including the changes therein since the close of the previous financial year are as given below:

S. No.	Name	Designation
1.	Mr. Rakesh Gupta	Director - Manufacturing
2.	Mr. Kuldip Raina	Director - Sales, Marketing and Strategic Sourcing
3.	Mr. Sachin Naik	Chief Financial Officer
4.	Mr. Harcharan Singh	Chief Information Officer
5.	Ms. Shalini Adhaar	Chief Human Resource Officer
6.	Mr. Sanjeev Gupta	Director - R&D
7.	Ms. Shikha Rastogi	Company Secretary & Head - Legal

Changes during FY 2023-24		
Appointments		
S. No.	Name and Designation	Effective Date
1.	Mr. Davinder Dogra, Chief Financial Officer	July 01, 2023
2.	Mr. Sachin Naik, Chief Financial Officer	December 06, 2023
Resignations		
S. No.	Name and Designation	Effective Date
1.	Mr. Mohit Kumar Donter, Chief Financial Officer	June 30, 2023
2.	Mr. Davinder Dogra, Chief Financial Officer	September 30, 2023

5. Employees Stock Option Scheme

During the financial year 2022-23, with a view to motivate the employees seeking their contribution to the corporate growth, to create a sense of ownership and participation amongst them, to attract new talents, to retain them for ensuring sustained growth and to encourage them in aligning individual goals with that of the Company's objectives, a new Employees Stock Option Scheme i.e. "Shalimar Paints Limited Employees Stock Option Scheme - 2022" ("SPL ESOP 2022") was implemented for which approval of shareholders of the Company was received on September 29, 2022.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors the ESOP Schemes of the Company in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

For further details, refer to the Directors' Report forming part of the Annual Report wherein detailed information has been provided.

6. General Body Meetings

a. Annual General Meetings: During the preceding three years, the Company's Annual General Meetings were conducted / deemed to be conducted at the Registered Office of the Company situated at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram - 122001, Haryana. The date and time of the last three Annual General Meetings and the special resolutions passed thereat with requisite majority are as under:

Financial Year	Day and Date*	Time	Special Resolution(s) passed
2022-23	Wednesday 27.09.2023	12:30 P.M.	• Appointment of Mr. Atul Rasiklal Desai (DIN: 01918187) as Non-Executive Independent Director of the Company
2021-22	Thursday 29.09.2022	12:30 P.M.	• Re-appointment of Mr. Ashok Kumar Gupta (DIN: 01722395) as Managing Director of the Company • Appointment of Mr. Sanjiv Garg (DIN: 00428757) as Non-Executive Independent Director of the Company • Approval of 'Shalimar Paints Limited Employees Stock Option Scheme - 2022'
2020-21	Wednesday 29.09.2021	12:30 P.M.	• NIL

* Held through Video Conferencing / Other Audio-Visual Means

b. Extraordinary General Meeting: During the year under review, no Extraordinary General Meeting was conducted.

c. Postal Ballot: During the year under review, the Company sought approval of the shareholders through Postal Ballot in the following matter:

- Appointment of Ms. Shan Jain (DIN: 09661574) as Non-Executive Independent Director of the Company to hold office for a term of three (3) consecutive years - Special Resolution

The details of voting on the abovementioned resolution is provided hereunder:

No. of votes polled	% of Votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled	% of Votes against on votes polled
4,62,40,034	64.0294	4,62,39,494	540	99.9988	0.0012

During the current year, the Company sought approval of the shareholders through Postal Ballot in the following matters:

- Appointment of Mr. Aaditya Gajendra Sharda (DIN: 07024283) as a Director of the Company w.e.f. April 11, 2024, liable to retire by rotation - Ordinary Resolution

The details of voting on the abovementioned resolution is provided hereunder:

No. of votes polled	% of Votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled	% of Votes against on votes polled
6,54,42,573	78.1766	6,54,22,983	19,590	99.9701	0.0299

- Re-appointment of Dr. Rajeev Uberoi (DIN: 01731829) as Non-Executive Independent Director of the Company for a second term of three (3) consecutive years - Special Resolution

The details of voting on the abovementioned resolution is provided hereunder:

No. of votes polled	% of Votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled	% of Votes against on votes polled
6,54,42,573	78.1766	6,54,22,849	19,724	99.9699	0.0301

In respect of all the above postal ballot exercise, the Company had appointed Mr. Ankush Agarwal (COP: 14486), Partner of M/s. MAKS & CO., Practicing Company Secretaries, as Scrutinizer for carrying out the Postal Ballot voting process through electronic means in a fair and transparent manner.

Procedure adopted for Postal Ballot:

In compliance with Regulation 44 of the SEBI Listing Regulations, Sections 108, 110 and other applicable provisions of the Act read with the Rules issued thereunder and the General Circulars issued in this regard by the Ministry of Corporate Affairs ("MCA"), the Company provided remote e-voting facility to all its members.

The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing remote e-voting facility to all its members.

The Postal Ballot Notice was sent through electronic mode to those Members / beneficial owners whose names were appearing on the register of members / list of beneficial owners as received from the National Securities Depository Limited ("NSDL") and CDSL and whose email addresses were registered with the Company / Depositories. The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. Voting rights of the members were reckoned on the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date.

The resolution(s), if assented by the requisite majority through Postal Ballot, are deemed to have been passed on the last date specified for remote e-voting.

The results were displayed at the registered office of the Company and on the Company's website at www.shalimarpaints.com and were available on the website of the Stock Exchanges and CDSL.

Further, none of the businesses are proposed to be transacted at the ensuing AGM which requires passing of a Special Resolution through Postal Ballot.

7. Means of Communication

a. Financial Results: The quarterly / half-yearly / annual financial results of the Company are submitted to the stock exchanges after they are approved by the Board. These are also published in the leading English and vernacular newspapers viz. Financial Express and Jansatta in the prescribed format. Additionally, the results and other important information are also periodically updated on the Company's website viz. www.shalimarpaints.com, under a separate dedicated section "Investors".

b. News Releases, Presentations: Press releases are sent to the Stock Exchanges before sending the same to media and are also displayed on the Company's website i.e. https://www.shalimarpaints.com.

c. Intimation to the Stock Exchanges: The Company also intimates / made disclosures to the Stock Exchanges about all price sensitive matters or such matters which, in its opinion, are material and of relevance to the shareholders. The Company also regularly provides information to the Stock Exchanges as per the requirements of the SEBI Listing Regulations.

d. Presentations to Institutional Investors/analysts: The Company holds Analysts' / Investors' Meetings from time to time. The necessary intimation in terms of Regulation 30 of SEBI Listing Regulations along with presentations, audio recordings and transcripts of the said meetings are also intimated to the stock exchanges as well as uploaded on Company's website.

e. Annual Reports: The Annual Report containing, inter-alia, the Audited Standalone and Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is sent to every shareholder of the Company and others entitled thereto. The Management Discussion and Analysis Report forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company sends e-copies of the Annual Report to Members whose e-mail ids are registered with the Company. The Annual Report is also available in downloadable form on the website of the Company under the link https://www.shalimarpaints.com/investors-relations/annual-reports.

f. NSE Electronic Application Processing System (NEAPS) and BSE Corporate Compliance & Listing Centre (BSE Listing Centre): NEAPS and BSE Listing Centre are web-based applications designed for corporates. All communications, disclosures and periodic filings like shareholding pattern, results, media releases, among others are filed electronically by the Company with the Stock Exchanges through these portals.

g. SEBI Complaints Redressal System (SCORES): The investor complaints are processed by SEBI in a centralized web-based complaints redressal system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

h. Online Dispute Resolution Portal (SMART ODR Portal): SEBI vide circular No. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 28, 2023), has issued a master circular on Online Dispute Resolution in the Indian Securities Market. The dispute resolution process under the ODR Mechanism has two levels of resolution i.e., Conciliation and Arbitration. The said mechanism shall be applicable to all the investors who register and lodge their complaint / dispute through SMART ODR Portal. The complaint / dispute lodged through SMART ODR Portal shall mandatorily follow the process of Online Conciliation first and in case of unsuccessful conciliation, the same may be taken up for online Arbitration. In case the investor is aggrieved with the arbitration award, it may file an appeal before a competent Court of law under section 34 of the Arbitration and Conciliation Act, 1996.

i. Designated Exclusive email-id: The Company has designated the following email-id for investor servicing i.e. askus@shalimarpaints.com. Investors can also mail their queries to Registrar and Transfer Agent at beetalrta@gmail.com.

8. General Information for Shareholders

a. Company Registration Details: The Company is registered in the State of Haryana, India. The Corporate Identification Number ("CIN") allotted to the Company by the Ministry of Corporate Affairs is L24222HR1902PLC065611.

b. 122nd Annual General Meeting:

Venue	:	The 122nd AGM of the Company will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram - 122001, Haryana
Date and Time	:	Friday, September 27, 2024 at 12:30 P.M.
Remote e-voting period	:	From Tuesday, September 24, 2024 (09:00 A.M.) to Thursday, September 26, 2024 (05:00 P.M.)

For details, please refer to the Notice of this AGM.

c. Financial Year: The financial year of the Company covers the period from April 01 to March 31.

d. Financial Calendar 2024-25:

S. No.	Tentative Schedule	Actual or Tentative Date (on or before as the case may be)
1.	Financial reporting for the quarter ending June 30, 2024	August 08, 2024 (Actual)
2.	Financial reporting for the quarter ending September 30, 2024	November 14, 2024
3.	Financial reporting for the quarter ending December 31, 2024	February 14, 2025
4.	Financial reporting for the year ending March 31, 2025 (Audited)	May 30, 2025
5.	Annual General Meeting for the year ending March 31, 2025	September 30, 2025

e. Transfer of Unpaid / Unclaimed Dividends and Shares to Investor Education and Protection Fund (IEPF): Pursuant to the provisions of Section 124 of the Act read with the rules made there, as amended from time to time, all the declared dividends, which remained unpaid or unclaimed for a period of seven consecutive years or more is required to be transferred by the Company to IEPF.

Further, pursuant to the provisions of Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed for seven consecutive years or more shall be transferred by the Company to the demat account of IEPF Authority.

Details of shares transferred to the IEPF Authority in the previous year(s) are available on the Company's website at the weblink https://www.shalimarpaints.com/investors-relations/unpaid-or-unclaimed-dividend. The said details have also been uploaded on the website of the IEPF Authority and the same can be accessed through the weblink: www.iepf.gov.in.

The shares and unclaimed dividend transferred to the IEPF can however be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member/Claimant is required to make an online application to the IEPF Authority in Form No. IEPF-5 (available on www.iepf.gov.in) along with requisite fees as decided by the IEPF Authority from time to time.

f. Date of Book Closure: The Share Transfer Books and Register of Members of the Company will remain closed from Saturday, September 21, 2024 to Friday, September 27, 2024 (both days inclusive) for the purpose of AGM.

g. Dividend Payment Date: In view of losses during the financial year under review, the Board of Directors has not recommended any dividend on the Equity Shares of the Company.

h. Listing on Stock Exchanges and Stock Codes: The names and addresses of the stock exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

1	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	509874
2	National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	SHALPAINTS

The International Securities Identification Number (ISIN) for Dematerialization of Equity Shares is INE849C01026.

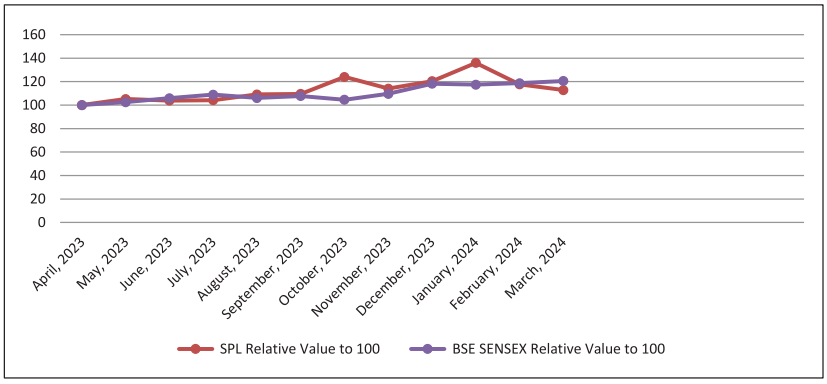
The Company has paid listing fees for the financial year 2024-25 to both the above stock exchanges and there is no outstanding payment as on date.

i. Payment of Depository(ies) fees: The Company has paid Annual Custody / Issuer fee to both Depositories based on invoices received from the Depositories and there is no outstanding payment as on date.

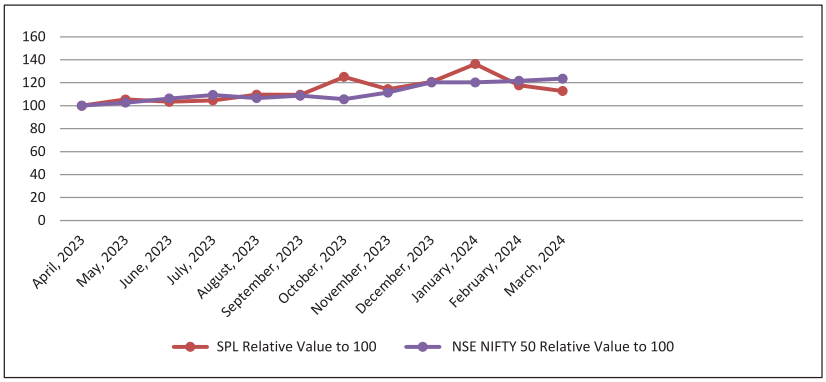
j. Market Price Data: The monthly high and low market prices of the Company's equity shares at BSE and NSE during the financial year 2023-24 are as under:

Month	Share Price at BSE (in Rs.)		Share Price at NSE (in Rs.)	
	High	Low	High	Low
April, 2023	153.25	132.80	153.50	132.65
May, 2023	163.50	140.85	163.40	142.45
June, 2023	157.15	144.15	157.90	146.00
July, 2023	161.80	148.15	162.00	149.80
August, 2023	168.80	146.45	168.85	147.55
September, 2023	170.00	152.50	167.95	152.05
October, 2023	199.00	160.50	199.10	161.55
November, 2023	184.75	166.80	184.30	165.00
December, 2023	214.00	169.35	214.25	169.25
January, 2024	225.65	176.25	224.15	177.00
February, 2024	209.65	165.65	210.15	165.00
March, 2024	199.75	153.10	199.80	150.70

k. Share Performance of the Company in comparison to BSE Sensex



l. Share Performance of the Company in comparison to NSE Nifty 50



m. Registrar and Transfer Agent: M/s. Beetal Financial & Computer Services Private Limited is acting as Registrar and Transfer Agent of the Company for handling the shares related matters, both in physical as well as dematerialized mode. The communications regarding shares, dividends, change of address, etc., may be addressed by the shareholders to:

M/s. Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062

Tel : 011-29961281-283

Fax : 011-29961284

E-mail : beetalrta@gmail.com

n. In case the securities of the Company are suspended from trading, reasons thereof : The securities of the Company were not suspended from trading during the year under review.

o. Share Transfer System: Transfer of Securities held in physical mode has been discontinued w.e.f. April 01, 2019. However, SEBI vide its various circulars / notifications granted relaxation for re-lodgement cases till March 31, 2021. In compliance with the Circular, Re-lodgement of transfer requests was carried out till the validity period of Circular. Further, effective from April 01, 2021, Company / RTA is not accepting any requests for the physical transfer of shares from the shareholders.

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. Further, SEBI vide its Circular dated January 25, 2022 and Master Circular dated May 17, 2023, mandated all listed companies to issue securities in dematerialised form only while processing the service request in relation to issue of duplicate securities certificate, claim from unclaimed suspense Account, renewal / exchange of securities certificate, endorsement, sub-division / splitting of securities certificate, consolidation of securities certificates / folios, transmission and transposition.

Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR-4, the format of which is available on the Company's website at https://www.shalimarpaints.com/investors-relations/important-information-for-shareholders and on the website of the Company's RTA at: https://www.beetalfinancial.com/downloadf.aspx Shareholders should communicate with the Company's Registrar and Transfer Agent quoting their folio number or Depository Participant Id and Client Id number, for any queries w.r.t their securities.

Shareholders are also advised to refer to the latest SEBI guidelines / circulars issued from time to time for all the holders holding securities in listed companies in physical form and keep their KYC details updated at all times, to avoid freezing their folio as prescribed by SEBI.

Further, SEBI has also simplified the process for transmission of shares and issue of duplicate share certificates to make it more efficient and investor friendly.

In case of shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants. Shareholders are advised to dematerialize their shares held by them in physical form. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL within the statutory time limit, from the date of receipt of documents complete in all respects along with the share certificates. 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.

The Company on a yearly basis files with the Stock Exchanges:

- a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorised representative of the RTA certifying that all activities in relation to share transfer facility is maintained by Beetal Financial & Computer Services Private Limited, Registrar and Share Transfer Agent registered with the SEBI.
- a certificate of compliance from a Company Secretary in practice confirming issue of share certificates within a period of 30 days of lodgement of the investor service request as prescribed under Regulation 40(9) of the SEBI Listing Regulations.

p. Dematerialization of shares and its liquidity: As on March 31, 2024, about 99.78% of the total equity share capital of the Company was held in dematerialized form. Since, the Equity Shares of the Company are compulsorily traded in dematerialized form, accordingly, the shareholders holding shares in physical form are requested to contact any of the Depository Participants in their vicinity to get their shares dematerialized at the earliest.

The equity shares of the Company are listed and traded on NSE and BSE.

q. Reconciliation of Share Capital Audit: The Company gets reconciliation of share capital audit done from a qualified practicing Company Secretary in each quarter to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit report confirms that the total issued / paid up capital is in agreement with the total number of equity shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL. The Audit Reports for each quarter of the Financial Year 2023-24, have duly been filed with Stock Exchanges within 30 days from the end of the respective quarter.

r. Shareholding as on March 31, 2024:

- Distribution of shareholding as on March 31, 2024:

Category (Amount)	Shareholders		Equity Shares held	
From - To	Number	Percentage	Number	Percentage
Up to 5,000	23,465	96.43	47,56,480	5.68
5,001 - 10,000	425	1.75	15,95,844	1.91
10,001 - 20,000	215	0.88	16,13,807	1.93
20,001 - 30,000	62	0.25	7,51,570	0.90
30,001 - 40,000	36	0.15	6,36,444	0.76
40,001 - 50,000	29	0.12	6,64,735	0.79
50,001 - 1,00,000	46	0.19	15,77,240	1.88
1,00,001 and above	55	0.23	7,21,15,058	86.15
Total	24,333	100.00	8,37,11,178	100.00

- Category of shareholders as on March 31, 2024:

Category	No. of shares	% of Shareholding
Promoters and Promoter Group*	6,33,91,201	75.73
Financial Institutions/Banks/Mutual Funds/ Alternate Investment Funds/Insurance Companies	27,641	0.03
NRIs/OCBs/FIIs/Foreign Portfolio Investors	3,27,154	0.39
Bodies Corporate	12,08,307	1.44
Indian Public/Trust/Others	1,87,56,875	22.41
Total	8,37,11,178	100.00

* During the financial year 2023-24, Hella Infra Market Private Limited has become one of the promoters of the Company w.e.f. March 11, 2024, pursuant to the completion of open offer made by Hella Infra to the eligible shareholders of the Company in accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Hella Infra has become the largest shareholder and holding company of the Company holding 52.85% of the total paid up equity share capital of the Company.

Further, pursuant to aforesaid transaction, the minimum public shareholding requirement as per Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 ("SCRR") read with Rule 19A of the SCRR and Regulation 38 of the SEBI Listing Regulations fell below 25% of the total paid up equity share capital of the Company. However, as per SCRR, a maximum period of 12 months is available to bring the public shareholding to 25% from the date of such fall in accordance with the manner specified by the SEBI and the same will be ensured.

s. Outstanding Warrants or any Convertible Instruments, conversion dates and likely impact on equity: During the financial year 2021-22, the Company had raised funds by way of allotment of 30,55,556, 9% optionally convertible debentures ("OCDs") having face value of Rs. 180/- each, for cash at a price of Rs. 180/- per OCD, aggregating to Rs. 55 Crore to Hella Infra Market Private Limited ("Hella Infra"). Upon receipt of redemption notice from Hella Infra, the OCDs holder, the Company on August 22, 2023, made the full payment along with accrued interest thereon, towards redemption of the entire 30,55,556, 9% OCDs held by Hella Infra. The details of the same are mentioned in point (t) below.

Further, during the financial year 2022-23, the Company had allotted 1,14,94,252 warrants, each carrying a right to subscribe to 1 fully paid up equity share of the Company having a face value of Rs. 2/- at a price of Rs. 130.50 each, upon receipt of subscription money @ 25% of the issue price with a right exercisable by the warrant holders to subscribe for One (1) Equity Share per warrant within 18 months. As per the terms of issue of Warrants, consequent to exercising the option of conversion of respective Warrants into equity shares, in entirety by the Warrant Holders and upon receipt of balance 75% of the subscription money on said Warrants, the Company, on October 11, 2023, allotted 1,14,94,252 equity shares of face value of Rs. 2/- each at an issue price of Rs. 130.50 each to the Warrant Holders as per their entitlement on account of conversion. The details of the same are mentioned in point (t) below.

t. Details of utilization of funds raised through preferential allotment or qualified institutional placement: During the financial year 2021-22, the Company had raised funds amounting to Rs. 270,00,00,120/- comprising of:

- Rs. 215,00,00,040/- received on allotment of 1,79,16,667 equity shares of face value of Rs. 2/- each fully paid-up, for cash at an issue price of Rs. 120/- per Share (including premium of Rs. 118/- per Equity Share) to Hella Infra. The funds so raised through issue of aforesaid equity shares were fully utilised to strengthen Company's balance sheet and have access to long term resources to meet its growth requirements.
- Rs. 55,00,00,080/- received on allotment of 30,55,556, 9% optionally convertible debentures ("OCDs") having face value of Rs. 180/- for cash at a price of Rs. 180/- per OCD to Hella Infra. Upon receipt of redemption notice from Hella Infra, the OCDs holder, the Company on August 22, 2023, made the full payment along with accrued interest thereon, towards redemption of the entire 30,55,556, 9% OCDs held by Hella Infra.

During the financial year 2022-23, on April 13, 2022, the Company had allotted by way of preferential allotment on a private placement basis 1,14,94,252 warrants, each carrying a right to subscribe to 1 fully paid up equity share of the Company having a face value of Rs. 2/- each at a price of Rs. 130.50 each, upon receipt of subscription money @ 25% of the issue price out of which 30,65,134 Warrants were allotted to Virtuous Tradecorp Private Limited, a promoter group company; 26,81,992 Warrants were allotted to JSL Limited, a promoter group company; and 57,47,126 Warrants were allotted to Hella Infra (collectively "the Warrant Holders / Allottees").

As per the terms of issue of Warrants, consequent to exercising the option of conversion of respective Warrants into equity shares, in entirety by the Warrant Holders and upon receipt of balance 75% of the subscription money on said Warrants, the Company, on October 11, 2023, allotted 1,14,94,252 equity shares of face value of Rs. 2/- each at an issue price of Rs. 130.50 each to the Warrant Holders as per their entitlement on account of conversion as under:

Sl. No.	Name of allottee	No. of equity shares upon conversion of warrants	Amount (in Rs.)
1.	Virtuous Tradecorp Private Limited, a member of the promoter group of the Company	30,65,134	39,99,99,987
2.	JSL Limited, a member of the promoter group of the Company	26,81,992	34,99,99,956
3.	Hella Infra Market Private Limited, Promoter w.e.f. March 11, 2024	57,47,126	74,99,99,943
Total		**1,14,94,252**	**149,99,99,886**

The Company had utilised Rs. 98,91,99,887/- till March 31, 2024 out of the funds so raised through issue of aforesaid equity shares pursuant to conversion of Warrants to strengthen Company's balance sheet, have access to long term resources to meet its growth requirements and for general corporate purposes.

No funds were raised by the Company by way of Qualified Institutional Placement during the financial year 2023-24.

u. Location of the Plants: The Company's plants are located at the following places:

- Village: GondeDumala, Tehsil: Igatpuri, Nashik
- No. A-1 and A-2 Sikandrabad Industrial Area, Sikandrabad, Dist. Bulandshahr, Uttar Pradesh
- Chinnapuliyur Village, GummidipoondiTaluk, Thiruvallur, Chennai
- P.O. Danesh Shaikh Lane, Goaberia, Howrah, West Bengal (Operations suspended due to fire accident in the month of March, 2014)

v. Address for Correspondence:

For transfer/ dematerialization of shares, payment of dividend and any other query relating to shares	Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Tel : 011-29961281-283 Fax : 011-29961284 E-mail : beetalrta@gmail.com
For investor's assistance	Shalimar Paints Limited, Secretarial Department, 1st Floor, Plot No. 28, Sector 32, Gurugram, Haryana - 122001 Tel : 0124-4616600 Fax : 0124-4616659 E-Mail : askus@shalimarpaints.com Website: www.shalimarpaints.com

Shareholders holding shares in electronic mode should address all their correspondence relating to change of address, bank mandate and status to their respective Depository Participants (DPs).

9. Other Disclosures

a. Related Party Transactions: During the financial year 2023-24, the Company has not entered into any transaction of material nature with the related parties that may have any potential conflict with the interests of the Company.

Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report. The Policy on dealing with materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: https://www.shalimarpaints.com/uploads/Related-Party-Policy.pdf.

The Audit Committee reviews the details of related party transactions entered into by the Company, at least on a quarterly basis. There were no transactions with related parties during the year, which were not in the normal course of business as well as not on an arm's length basis.

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: During FY 2021-22, BSE Limited imposed a fine amounting to Rs. 22,000 for non-submission of the statement on shareholder complaints for quarter ended December 31, 2021 with BSE within the time period prescribed under Regulation 13(3) of SEBI Listing Regulations. The Company made the required filing with BSE on February 14, 2022. Further, the Company had requested for waiver of fine imposed by BSE as Nil Investors Complaint Report was submitted by the Company on NEAPS on January 18, 2021, however, the filing of NIL complaints was inadvertently missed in the Compliance module on BSE due to technical and other issues. Pending such request, the Company had paid the fine with BSE.

During FY 2022-23, for non-compliance with the constitution of NRC as prescribed under Regulation 19(2) of SEBI Listing Regulations, NSE Limited imposed fine of Rs. 72,000 for quarter ended 31.03.2022 and Rs. 1,82,000 for quarter ended 30.06.2022; and BSE Limited imposed fine of Rs. 2,54,000 for quarter ended 30.06.2022 on the Company. Inadvertently, the details of NRC Chairman were filed incorrectly in Corporate Governance Report ("CGR") for the quarter ended 31.03.2022. The same XBRL utility was used for filing the CGR for quarter ended 30.06.2022 and therefore, the same mistake was repeated. The Company had made revised CGR filings with BSE and NSE for the quarter ended 31.03.2022 and 30.06.2022. The Company had made submissions to BSE & NSE and had requested for waiver of fines imposed by BSE and NSE. After considering the Company's submissions, NSE has reversed the fine amounting to Rs. 72,000 for the quarter ended 31.03.2022. Rest of the waiver requests are under consideration by BSE and NSE.

No other strictures or penalties have been imposed on the Company by either SEBI or Stock Exchanges or any other statutory authority for non-compliance of any matter related to the capital markets during the last three years.

c. Vigil Mechanism/ Whistle Blower Policy: The Company has formulated a Whistle Blower Policy ("WBP") in accordance with the requirements of Section 177(9) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of the SEBI Listing Regulations and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015. The WBP provides for establishment of vigil mechanism for directors and employees to report genuine concerns or grievances. It encourages all employees, directors and business partners to report any suspected violations promptly and intends to investigate any bona-fide reports of violations. It also specifies the procedures and reporting authority for reporting unethical behavior, actual or

suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including financial irregularities, including fraud, or suspected fraud, wastage / misappropriation of Company's funds /assets etc. The WBP also provides for adequate safeguards against victimization of employees and directors who avail the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases. The WBP has also been uploaded on Company's website at the following link: https://www.shalimarpaints.com/uploads/Whistle_Blower_Policy.pdf

During the year under review, no personnel was denied access to the Chairperson of the Audit Committee.

d. Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons: The Company has a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and a Code of Conduct to Regulate, Monitor and Report Trading by its employees and other connected persons, in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Codes have been uploaded on website of the Company and can be accessed through the weblink https://www.shalimarpaints.com/uploads/Code_of_Fair_Disclosure_of_UPSI.pdf and https://www.shalimarpaints.com/uploads/Code_of_Conduct_-_Insider_Trading.pdf.

e. Subsidiary Companies: The Company has two unlisted subsidiary companies, viz. Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited. The Company has formulated a policy for determining material subsidiaries in accordance with the requirements of Regulation 16(1)(c) of SEBI Listing Regulations, which may be accessed on the Company's website at the link https://www.shalimarpaints.com/uploads/SPL_Material_Subsidiaries.pdf. The Company does not have any material unlisted subsidiary company.

The Audit Committee of the Company reviews the financial statements and the investments made by its unlisted subsidiary companies, if any. Further, the minutes of the meetings of the board of directors of the unlisted subsidiary companies and statement of all significant transactions and arrangements entered into by the unlisted subsidiary, if any, are periodically placed at the meeting of the Board of directors of the Company.

f. Dividend Distribution Policy: The Company has formulated a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of SEBI Listing Regulations, which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/Dividend_Distribution_Policy.pdf.

g. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Directors' Report.

h. Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/companies in which directors are interested: Nil

i. Fees paid to Auditors and firms / entities in its network: The shareholders at its 120th AGM had appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm Registration No.001076N/N500013) as Statutory Auditors of the Company for a term of five years until the conclusion of 125th AGM of the Company. The Company has made payment of Rs. 48 Lakhs to the Statutory Auditors for all the services availed by the Company during financial year 2023-24.

During the period under review, no services were availed by the subsidiaries of the Company from the statutory auditors of the Company. Further, no services were availed by the company/subsidiaries from the network firm /entity of the statutory auditors during the period under review.

j. Credit Ratings: The credit rating(s) for the long term / short term bank facilities of the Company as on date of this report is as under:

The Company has been accorded credit rating of 'CARE BBB- (RWD)' for long term bank facilities and 'CARE A3 (RWD)' for short term bank facilities by CARE Ratings Limited. Further, the Company has been accorded credit rating of 'ACUITE BB | Downgraded | Issuer not co-operating' for long term bank facilities and 'ACUITE A4+ | Reaffirmed | Issuer not co-operating' for short term bank facilities by Acuite Ratings and Research Limited ("Acuite").

The Company is in the process of withdrawal of ratings from Acuite. While downgrading the credit ratings arbitrarily, Acuite has not worked with the Company's management to understand its business perspective and plans to improve operational performance. Accordingly, the Company has refused to accept any report which has been made unilaterally by Acuite without any discussion, deliberation and concurrence of Company's management.

k. Disclosure of Accounting Treatment: The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND AS) prescribed under Section 133 of the Act, read with relevant rules issued thereunder.

l. Commodity price risk or foreign exchange risk and hedging activities: For details, please refer Management Discussion and Analysis Report and notes to accounts to the financials mentioned in the Annual Report.

m. Compliance with mandatory requirements and adoption of non-mandatory requirements:

- Mandatory requirements: The Company has complied with all mandatory requirements of the SEBI Listing Regulations with regard to corporate governance. M/s. MAKS & Co., have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the SEBI Listing Regulations for the financial year ended March 31, 2024.
- Non-mandatory requirements: The status on the compliance with the non-mandatory recommendations / discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations is as under:

  i. The Company has separate posts of Chairman and Managing Director.

  ii. Shareholders' rights: The quarterly / half-yearly / annual financial results, after approval of the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading "Means of Communication" at Sl. No. 7 above and also displayed on the Company's website viz. https://www.shalimarpaints.com. The results are not separately circulated to the shareholders.

  iii. Modified opinion(s) in audit report: The Company is in the regime of unmodified audit opinion on financial statements.

  iv. Reporting of Internal Auditors: The Internal Auditors of the Company report directly to the Audit Committee.

n. Disclosure of the compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations: During the financial year 2023-24, the Company has duly complied with all the provisions mentioned under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations.

10. Other Information

a. CEO/CFO Certification: The Managing Director and Chief Financial Officer have certified, in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification on the Financial Statements, internal control and the Cash Flow Statement for the financial year 2023-24 is annexed as **Annexure - I** and forms part of this Report. The Managing Director and Chief Financial Officer also give quarterly certificate on the financial results while placing the same before the Board in terms of the Regulation 33(2) of the SEBI Listing Regulations.

b. Risk Management Framework: The Company has in place mechanism to inform Board members about the risk assessment and minimization procedures and periodically reviews the same.

c. Certificate from Company Secretary in Practice: A Certificate has been received from M/s. MAKS & Co., Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority. The Certificate is annexed as **Annexure - II** and forms part of this Report.

d. Code of Conduct**:** The Company has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and the senior management personnel of the Company have affirmed compliance with the said Code for the financial year ended March 31, 2024. The said Code of Conduct is also available on the Company's website at the following link: https://www.shalimarpaints.com/uploads/Code_Of_Conduct1.pdf The declaration of the erstwhile Managing Director of the Company in this regard is given below:

DECLARATION ON CODE OF CONDUCT

To

The Shareholders of Shalimar Paints Limited

I hereby declare that for the financial year ended March 31, 2024, all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct, as adopted by the Board of Directors.

Ashok Kumar Gupta
Managing Director
DIN: 01722395

Place: Mumbai
Date: May 17, 2024

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Shalimar Paints Limited
Regd. Office: Stainless Centre, 4th Floor,
Plot No. 50, Sector 32, Gurugram, Haryana -122 001
[CIN: L24222HR1902PLC065611]

We have examined the compliance of conditions of Corporate Governance by Shalimar Paints Limited **("the Company")**, for the financial year ended March 31, 2024 as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance as stipulated under the SEBI Listing Regulations is the responsibility of the Management of the Company including the preparation and maintenance of all the relevant records and documents. Our examination was limited to review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. 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 the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI Listing Regulations for the year ended on March 31, 2024.

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

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719F000919364

Date: 07-08-2024
Place: Noida, U.P.

Annexure - I

Certificate from Managing Director and Chief Financial Officer

(Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Board of Directors

Shalimar Paints Limited

We do hereby confirm and certify that:

a) We have reviewed financial statements and the cash flow statement of Shalimar Paints Limited ("the Company") for the financial year ended March 31, 2024 and that, to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) there has not been any instance, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Shalimar Paints Limited**

Place: Mumbai
Date: May 17, 2024

Ashok Kumar Gupta
(Managing Director)

Sachin Naik
(Chief Financial Officer)

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C Sub clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Shalimar Paints Limited
Regd. Office: Stainless Centre, 4th Floor,
Plot No. 50, Sector 32, Gurugram, Haryana -122 001
[CIN: L24222HR1902PLC065611]

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shalimar Paints Limited, having CIN: L24222HR1902PLC065611 and having registered office at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana - 122 001 (**'hereinafter referred to as 'the Company'**), produced before us by the Company for the purpose of issuing this Certificate in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority, as applicable.

S. No.	Name of Director	DIN	Date of Appointment
1.	Dr. Rajeev Uberoi	01731829	11/05/2021
2.	Mr. Abhyuday Jindal^	07290474	08/03/2022
3.	Mr. Souvik Pulakesh Sengupta	07248395	24/02/2022
4.	Mr. Ashok Kumar Gupta*	01722395	10/08/2018
5.	Mr. Atul Rasiklal Desai	01918187	28/06/2023
6.	Mr. Sanjiv Garg	00428757	10/08/2022
7.	Ms. Shan Jain	09661574	13/02/2023

^ *Ceased to be Non-Executive Non Independent Director of the Company w.e.f. July 15, 2024*
* *Ceased to be Managing Director of the Company w.e.f. July 02, 2024*

Ensuring the eligibility for the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate 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.

For **M/s. MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719F000919331

Date: 07-08-2024
Place: Noida, U.P.

Business Responsibility and Sustainability Report

BRSR Overview

Section A: General Disclosures

Section B: Management and Process Disclosures

Section C: Principle-wise Performance Disclosure

SECTION A: GENERAL DISCLOSURES

I. Details of the Company:

1.	**Corporate Identity Number (CIN) of the Company**	L24222HR1902PLC065611
2.	**Name of the Company**	Shalimar Paints Limited ("SPL"/ "the Company")
3.	**Year of Incorporation**	1902
4.	**Registered office address**	Stainless Centre, 4th Floor, Plot No. 50, Sector - 32, Gurugram, Haryana - 122001
5.	**Corporate office address**	1st Floor, Plot No. 28, Sector - 32, Gurugram, Haryana - 122001
6.	**E-mail**	askus@shalimarpaints.com
7.	**Telephone**	0124-4616600
8.	**Website**	www.shalimarpaints.com
9.	**Financial year for which reporting is being done**	2023-24
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11.	**Paid-up Capital**	Rs. 1,674.22 Lakhs
12.	**Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**	Ms. Shikha Rastogi Company Secretary & Head - Legal Shalimar Paints Limited 1st Floor, Plot No. 28, Sector - 32, Gurugram, Haryana - 122001 Contact No.: 0124-4616600 E-mail: askus@shalimarpaints.com
13.	**Reporting boundary**	All the disclosures under this report are made on a standalone basis for Shalimar Paints Limited.
14.	**Name of assurance provider**	-
15.	**Type of assurance obtained**	-

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Manufacturing	Shalimar Paints is engaged in the business of developing, manufacturing, marketing and extensive distribution of a wide range of paints and coatings. The Company serves a diverse customer base, offering products tailored to various market segments.	95%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Manufacturing (Emulsion, Enamels, Distemper, Primer, Epoxy, Marine Coats, Zinc Rich Coatings, Aluminum)	39073010	95%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	4*	2	6
International	0	0	0

** The Howrah Plant is the only one out of these 4 plants that is not operational.*

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	28 states + 8 UTs
International (No. of Countries)	4

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The exports contribute 2.4% of the total turnover of the entity.

c. A brief on types of customers

Shalimar Paints, being a leading industry player, serves diverse sectors such as Building and Construction, Sugar Industries, Airlines, Railways, Retail Outlets, Hotels, and the Power sector. The Company's commitment to quality, innovation, and customer satisfaction drives us consistently to deliver top-tier solutions.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	834	801	96.04%	33	3.96%
2.	Other than Permanent (E)	67	55	82.09%	12	17.91%
3.	**Total employees (D + E)**	901	856	95.01%	45	4.99%
Workers						
4.	Permanent (F)	62	62	100%	0	0%
5.	Other than Permanent (G)	575	566	98.43%	9	1.57%
6.	**Total workers (F + G)**	637	628	98.59%	9	1.41%

b. Differently abled Employees and Workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (D)	0	0	0%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	**Total differently abled employees (D + E)**	0	0	0%	0	0%
Differently Abled Workers						
4.	Permanent (F)	1	1	100%	0	0%
5.	Other than Permanent (G)	0	0	0%	0	0%
6.	**Total differently abled workers (F + G)**	1	1	100%	0	0%

21. Participation/ Inclusion/ Representation of women:

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	7	1	14.29%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers:

Particulars	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.84%	21.21%	26.61%	22.30%	23%	22.30%	20.90%	30.60%	21.50%
Permanent Workers	41.81%	50%	43.28%	1.61%	0%	1.61%	0%	0%	0%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding/ subsidiary/associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Hella Infra Market Private Limited	Holding	0.00%	No
2	Shalimar Adhunik Nirman Limited	Subsidiary	99.99%	No
3	Eastern Speciality Paints & Coatings Private Limited	Subsidiary	100%	No

VI. CSR Details:

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: No

(ii) Turnover (in Rs.): 5,30,57,27,422

(iii) Net worth (in Rs.): 2,68,64,86,685

Note: *Shalimar Paints does not fall under the obligation of CSR as per Section 135 of the Companies Act, 2013*

VII. Transparency and Disclosures Compliances:

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If yes, then provide web-link for grievance redress policy)**	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes. All the stakeholders' complaints are registered through (askus@shalimarpaints.com) the given email-id which is provided to all the stakeholders to raise any complaints or concerns	-	-	NIL	-	-	NIL
Investors (other than shareholders)		-	-		-	-	
Shareholders		2	0		3	0	
Employees		-	-		-	-	
Customers		50	-		499	74	
Value Chain Partners		80	-		289	260	
Others - Please specify	-	-	-	-	-	-	-

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste Management	Risk	Implementing rigorous protocols for managing hazardous waste during business operations is imperative to safeguard employee health and well-being, as well as protecting the surrounding environment from potential hazards. By adopting comprehensive waste management strategies, businesses can mitigate risks and ensure compliance with regulatory standards.	• Implementing a comprehensive waste management plan. • Regularly monitoring waste management practices and conducting internal audits to identify areas of improvement and compliance with waste handling regulations. • Emergency response preparedness, including a contingency action plan to address and mitigate emergency situations. • Adhering to a safe design plan and Occupational Health and Safety standards.	**Negative:** • Potential costs related to fines/ penalties for non-compliance with waste disposal regulations. • Environmental contamination due to improper waste disposal. • Impact on the health of employees/workers and nearby communities.
2	Water Management	Risk	As paint manufacturing requires a significant amount of water, its proper usage and disposal are critical. The used water or wastewater needs proper disposal in compliance with environmental regulations for treated wastewater disposal.	• Conducting water audits to monitor and regulate water consumption and identify inefficiencies. • Implementing systems to treat and recycle wastewater. • Upgrading equipment and processes to minimize water consumption and wastage. • Implementing effective wastewater treatment systems to meet regulatory standards before discharge, preventing pollution of water bodies.	**Negative:** • Potential costs related to fines/ penalties for non-compliance with wastewater treatment and disposal regulations. • Public health costs due to contaminated water, which may lead to waterborne diseases.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Health & Safety	Risk and Opportunity	**Risk:** Working with harmful chemicals, substances, and machinery during paint manufacturing may expose workers to various health risks, bodily injuries, and complications if not handled correctly. **Opportunity:** Implementing proactive health and safety practices can reduce accident-related costs and potential legal expenses. Focusing on health and safety can also drive innovation in manufacturing processes, leading to improved efficiency.	• Conducting comprehensive risk assessments to identify potential health and safety hazards in the manufacturing process, storage, and handling of raw materials. • Implementing mandatory safety training for every worker, contractor, and visitor to ensure their safety and awareness of potential risks and safe working practices.	**Positive:** • Decreased work-related injuries and incidents. • A safe and healthy work environment can increase productivity. • Improved brand image and reputation. **Negative:** • Non-compliance with health and safety regulations can lead to fines/penalties or legal expenses. • Increased work-related accidents can disrupt operations, leading to production delays and associated costs.
4	GHG Emissions	Risk	GHG emissions contribute to climate change and global warming. As a company manufacturing paint, significant GHG emissions can exacerbate environmental changes. Strict regulations and targets are imposed to reduce GHG emissions, necessitating strict compliance.	• Conducting comprehensive assessments to identify and quantify the sources and levels of GHG emissions. • Improving energy efficiency to reduce emissions.	**Negative:** • Non-compliance with emission standards can lead to fines/ penalties.
5	Human Rights	Opportunity	By prioritizing and upholding Human rights, the Company can enhance the reputation as socially responsible and ethical. Adhering to human rights standards helps meet regulatory requirements and avoid legal issues.	• Providing trainings to employees and workers on human rights issues. • Establishing robust grievance redressal mechanism to address concerns/issues. • Committing to continuously improve by regularly reviewing and updating human rights policies and strategies.	**Positive:** • Enhancing human rights can boost the company's ethical image, improve employee morale, strengthen customer and supplier relationships, and support sustainable growth.
6	Code of Conduct	Opportunity	A well-defined code of conduct promotes ethical practices and responsible behavior, enhancing the brand image and ensuring compliance with laws and regulations.	• Regularly reviewing and improving the code of conduct policy. • Implementing training programs for all employees to ensure better and ethical conduct from all. • Conduct internal audits to identify and address any potential compliance issues.	**Positive:** • Good governance practices, such as transparency, accountability, and strong ethical guidelines can build investor confidence. • Long-term benefits.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Chemical Safety and Management	Risk and Opportunity	**Risk:** Working with various chemicals poses significant risks for a paint manufacturing company. It may lead to safety hazards for employees and potential environmental risks if not handled properly. **Opportunity:** Prioritizing chemical safety can drive the company to invest in R&D to produce paints with reduced or no harmful chemicals. Good management can also reduce the risk of accidents and environmental impacts, contributing to long-term sustainability and profitability.	• Establishing robust safety protocols for handling, storing, and disposing of chemicals. Providing regular training and awareness on safe practices and emergency procedures. • Conducting thorough assessments of suppliers to ensure their safety and environmental standards. • Establishing proper waste management procedures for chemical by-products. • Seeking external certifications and adhering to industrial standards related to chemical safety and responsible management.	**Negative:** • Accidents, spills, or improper disposal of chemicals can result in regulatory fines, legal liabilities, and financial implications. • Non-compliance with regulations can result in fines, penalties, and legal actions. **Positive:** • Emphasizing chemical safety and responsible management enhances the company's brand image, portraying it as a socially responsible organization. This can lead to increased customer loyalty, positive media coverage, and support from stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1- P9 are given below:

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com/investors-relations/corporate-governance Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the policies have been communicated to the relevant stakeholders. The Code of Conduct for the Directors and Senior Management Team, Policy on disclosure of material events or information along with other Policies are in full compliance with statutory requirements.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO 9001:2015 Quality Management System ISO 140001:2015 Environmental Management System ISO 45001:2018 Occupational Health and Safety Management System ISO/IEC 17025:2017 Accredited Laboratory								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The entity is actively finalizing its ESG goals and targets, reflecting a strong commitment to integrating sustainable practices. While specific targets related to the 9 principles are still in development, the entity is dedicated to establishing and advancing these benchmarks in the near future, ensuring robust and transparent progress towards the environmental and social responsibilities.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	The entity is currently finalizing its specific ESG commitments and targets. As these are established, clear updates and explanations will be provided, along with plans to address and improve our performance.								
Governance, leadership and oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure). Shalimar Paints is deeply committed to sustainability, recognizing its responsibility to the planet and future generations. Guided by our 'People-First' philosophy, the Company integrates sustainability into its core business decisions to foster efficiency and long-term value. The goal is to mitigate environmental, social, and governance impacts while ensuring a brighter tomorrow. Shalimar Paints believes that inclusivity and collaboration with all stakeholders is essential for implementing effective sustainability measures. United by a shared sense of purpose, it empowers the workforce to achieve better outcomes, embracing the vision of 'Together for a Better Tomorrow.' Adhering to the ESG principles, the Company continuously strives to reduce the carbon footprint, enhance social impact, and maintain integrity and transparency in all operations. For Shalimar, sustainability is not just an option but a crucial pillar for growth and success. The Company places significant emphasis on social impact, aiming to improve the lives of its employees and the communities it serves.									
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).	The Board/COO & Whole-time Director is responsible for the implementation and oversight of the Business Responsibility Policy(ies). Name - Mr. Venugopal Chetlur Designation - Chief Operating Officer & Whole-time Director Email ID - c.venugopal@shalimarpaints.com								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the risk management committee of the Company follows a comprehensive risk management policy. This policy employs a structured approach to identify both internal and external risks associated with sustainability, with a particular focus on environmental, social, and governance (ESG) related risks.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	✓	✓	✓	✓	✓	✓	✓	✓	✓	Yes, as a standard practice, the Company reviews its policies on an as-needed basis. During the assessment process, the efficacy of the policies is evaluated, and necessary changes to policies and procedures, if required, are implemented.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	✓	✓	✓	✓	✓	✓	✓	✓	✓									

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. Has the Company carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	The Company internally evaluates the working of its policies on a regular basis. The independent assessment of the processes and compliance measures is planned to be carried out in the next financial year.								

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	N.A.						No	N.A.	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)							No		
The entity does not have the financial or/human and technical resources available for the task (Yes/No)							No		
It is planned to be done in the next financial year (Yes/No)							Yes		
Any other reason (please specify)							-		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	1	Business Model of the Company, as well as Legal and Regulatory updates, which are discussed and deliberated upon in the Board/ Committee meetings.	100%
Key Managerial Personnel	2	POSH Awareness and recent amendments, Managerial Essentials	100%
Employees other than BoD and KMPs	70	MS Office training, Train the Trainer, Leadership Acceleration Program, HR Analytics, 5 "S" training, First Aid, Internal Auditor process awareness, Fire Fighting, 7 QC Tools, Code of Conduct, Paint Manufacturing, POSH Awareness, Energy Conservation, Hazard Identification & Safety Control, Failure Mode Effects and Analysis (FMEA), IMS Awareness, Shade viewing & Judging skill & Quality Management, RM/PM/FG Testing	100%
Workers	7	5 'S' training, Fire Fighting, Know your Machine, My area my responsibility	100%

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the Case**	**Has an Appeal been preferred? (Yes/No)**
Penalty/ Fine	NIL				
Settlement					
Compounding Fee	Principle 1	Senior Inspector, Legal Metrology Department, Meerut, Uttar Pradesh	Rs. 1,00,000	In order to avoid litigation w.r.t. labeling compliance issue, the Company decided to opt for compounding to close the matter.	No
Non-Monetary					
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/ judicial institutions**		**Brief of the Case**	**Has an Appeal been preferred? (Yes/No)**
Imprisonment	NIL				
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not Applicable (In order to avoid litigation w.r.t. labeling compliance issue, the Company decided to opt for compounding to close the matter. As a result, no appeal process was initiated.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Shalimar Paints covers its Anti-Corruption and Anti-Bribery (ABAC) policy within the Code of Conduct Policy, which is accessible on the Company's intranet. This policy provides a formal mechanism for all employees to report unethical behavior, actual or suspected fraud, or any violations of the Company's Code of Conduct. This implies Company's commitment in maintaining the highest standards of integrity and transparency, ensuring a fair and ethical work environment for all. Employees are encouraged to actively utilize this policy to help uphold our core values.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Particulars	FY 2023-24	FY 2022-23
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest:

Particulars	FY 2023-24		FY 2022-23	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

The Company has put in place robust policies, processes, systems, and monitoring mechanisms to ensure compliance. The policies are reviewed regularly and updated according to best practices. There were no fines, penalties, or actions from regulatory, law enforcement, or judicial authorities related to corruption or conflicts of interest. Therefore, no corrective measures were necessary for the period.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

Particulars	FY 2023-24	FY 2022-23
Number of days of accounts payables	110	101

9. Open-ness of business

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of purchases	a. Purchases from trading houses as % of total purchases	N.A.	
	b. Number of trading houses where purchases are made from		
	c. Purchase from top 10 trading houses as % of total purchases from trading house		
Concentration of Sales	a. Sales to dealers/ distributors as % of total Sales	64.98%	63.32%
	b. Number of dealers/ distributors to whom sales are made.	7,032	5,825
	c. Sales to top 10 dealers/ distributors as % of total sales to dealers/ distributors	21.84%	8.39%
Share of RPTs	a. Purchases (Purchases from Related parties/ Total purchases)	0.45%	1.38%
	b. Sales (Sales to related parties/ Total Sales)	2.19%	8.99%
	c. Loans and advances (Loans and advances given to related parties/ Total loans and advances)	100%	100%
	d. Investments (Investments in related parties/ Total investments made)	100%	100%

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Particulars	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	2.22%	0.12%	The Company boasts an in-house R&D facility where a team of scientists is engaged in pioneering sustainable product technologies. Key initiatives include: • The development of high-volume solid products. • The creation of environment friendly water-based products. • The formulation of direct-to-metal products that substantially minimize the requirement for multiple layers of applied paint.
Capex	1.25%	0.98%	

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Shalimar Paints recognizes the importance of sustainable sourcing in today's business landscape. By adopting sustainable sourcing practices, it will enhance its long-term value and strengthen its commitment to corporate responsibility. The Company is dedicated and actively planning to adopt sustainable sourcing practices in the near future.

b. If yes, what percentage of inputs were sourced sustainably?

Not applicable. Since the Company is still in the process of building specific procedures for sustainable sourcing, we are currently unable to determine or report the percentage of inputs that were sourced sustainably.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Shalimar Paints demonstrates its commitment to environmental responsibility through comprehensive waste management practices:

- **Plastic Waste:** Ensures proper disposal by sending it to a reputable recycling facility.
- **Electronic Waste (E-waste):** Forwards E-waste to an authorized recycler for safe and sustainable handling.
- **Hazardous Waste:** Complies with disposal regulations, possesses necessary authorization from State Pollution Control Boards (PCBs), and uses PCB-authorized vendors for disposal.
- **Cardboard Cartons and Bags:** Sends the waste items to recycling facilities.

These efforts reflect Shalimar Paints' holistic approach to waste reduction and its promotion of a greener, more sustainable future.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes. Extended Producer Responsibility (EPR) applies to Shalimar Paints' activities related to plastic packaging production. The Company has aligned its waste collection plan with EPR guidelines, which includes the following components:

- **Setting up Collection Infrastructure:** Establishing facilities and systems for efficient waste collection.
- **Awareness Programs:** Conducting programs to educate stakeholders about waste management and EPR responsibilities.
- **Tie-ups with Waste Management Agencies:** Partnering with authorized agencies to ensure proper waste handling and disposal.
- **Reporting and Compliance:** Maintaining thorough documentation and compliance with EPR regulations.

These efforts highlight Shalimar Paints' commitment to responsible waste management and environmental sustainability.

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	801	801	100%	801	100%	0	0%	801	100%	0	0%
Female	33	33	100%	33	100%	33	100%	0	0%	0	0%
Total	**834**	**834**	**100%**	**834**	**100%**	**33**	**3.96%**	**801**	**96.04%**	**0**	**0%**
Other than Permanent Employees											
Male	55	55	100%	55	100%	0	0%	55	100%	0	0%
Female	12	12	100%	12	100%	12	100%	0	0%	0	0%
Total	**67**	**67**	**100%**	**67**	**100%**	**12**	**17.91%**	**55**	**82.09%**	**0**	**0%**

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by									
		Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	62	62	100%	62	100%	0	0%	0	0%	0	0%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	**62**	**62**	**100%**	**62**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**
Other than Permanent Workers											
Male	566	566	100%	566	100%	0	0%	0	0%	0	0%
Female	9	9	100%	9	100%	0	0%	0	0%	0	0%
Total	**575**	**575**	**100%**	**575**	**100%**	**0**	**0%**	**0**	**0%**	**0**	**0%**

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

Particulars	FY 2023-24	FY 2022-23
Cost incurred on well- being measures as a % of total revenue of the company	0.24%	0.18%

2. Details of retirement benefits, for Current and Previous Financial Year

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority(Y/N/N.A.)
PF	100%	100%	Yes	99.84%	100%	Yes
Gratuity	99.88%	100%	N.A.	99.84%	100%	N.A.
ESI	0.36%	100%	Yes	1.09%	100%	Yes
Others - please specify	-	-	-	-	-	-

Note: *PF and Gratuity does not extend to Managing Director.*

3. Accessibility of workplaces - Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

Shalimar Paints premises are accessible to differently-abled employees and workers, in accordance with the requirements of the Rights of Persons with Disabilities Act, 2016. The Company promotes an inclusive workplace to support every employee, and to this end, all necessary measures are undertaken to ensure the premises are equipped with amenities that enhance accessibility. This includes ramp walks and proper signages throughout the premises. This commitment reflects Shalimar Paints' dedication to build an inclusive and supportive work environment for all.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes, the Company functions as an 'equal opportunity employer' and upholds a policy of equal opportunities. This policy is included in the Company's Code of Conduct, which can be accessed on the Company's intranet.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	100%	Not applicable	Not applicable
Female	67%	100%	No female worker	No female worker
Total	80%	100%	NIL	

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

Particulars	Yes/No *(If yes, then give details of the mechanism in brief)*
Permanent Workers	Yes, the Company has implemented a grievance redressal mechanism to address workforce concerns. Employees can use the dedicated e-mail channel, hrd@shalimarpaints.com, which is accessible to all, to raise complaints or issues, ensuring direct access to top management and the Chief Human Resources Officer (CHRO). Moreover, a specialized committee is in place to handle matters related to the Prevention of Sexual Harassment (POSH).
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognised by the Company:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees /workers in respective category, who are part of association(s) or Unions (B)	%(B/A)	Total employees / workers in respective category (C)	No. of employees /workers in respective category, who are part of association(s) or Unions (D)	%(D/C)
Total Permanent Employees	No, Shalimar Paints do not have a workforce union either for employees or workers.					
- Male						
- Female						
Total Permanent Workers						
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	856	856	100%	770	89.95%	664	664	100%	384	57.83%
Female	45	45	100%	28	62.22%	45	45	100%	25	55.56%
Total	**901**	**901**	**100%**	**798**	**88.57%**	**709**	**709**	**100%**	**409**	**57.69%**
Workers										
Male	628	628	100%	628	100%	467	467	100%	467	100%
Female	9	9	100%	9	100%	22	22	100%	22	100%
Total	**637**	**637**	**100%**	**637**	**100%**	**489**	**489**	**100%**	**489**	**100%**

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	856	856	100%	664	664	100%
Female	45	45	100%	45	45	100%
Total	**901**	**901**	**100%**	**709**	**709**	**100%**
Workers						
Male	628	62	9.87%	467	62	13.28%
Female	9	0	0%	22	0	0%
Total	**637**	**62**	**9.73%**	**489**	**62**	**12.68%**

10. Health and Safety Management System:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?

The organization has successfully implemented a comprehensive Health and Safety Management System to ensure a secure and healthy working environment for its employees. The key components include:

I. EHS Policy

- Established a strong and well-defined Environment, Health, and Safety (EHS) policy.
- Outlines commitment to high standards of safety and environmental responsibility.

II. Hazard Identification and Risk Assessment

- Conducts regular identification of workplace hazards.
- Assesses risks to prevent accidents and health issues.

III. Legal and Regulatory Compliance

- Ensures compliance with relevant occupational health and safety laws and regulations.

IV. Training and Awareness

- Provides ongoing training for employees.
- Raises awareness of health and safety protocols to ensure adherence to safety practices.

V. Incident Reporting and Investigation

- Implements a structured process for reporting, investigating, and analyzing incidents.
- Aims to prevent recurrence of incidents.

VI. Safety Work Permit System

- Controls potentially hazardous work activities.
- Includes permits for general work, hot work, confined space work, and solvent unloading.
- Assesses risks and ensures safety measures are in place before work commences.

VII. VOC Monitoring

- Utilizes a state-of-the-art Volatile Organic Compounds (VOC) monitoring system.
- Continuously monitors for harmful airborne substances.
- Allows for prompt detection and swift action if alarming levels are detected.

VIII. Annual EHS Audit

- Conducts an annual Environmental, Health, and Safety (EHS) audit.
- Ensures compliance with safety protocols and environmental regulations.
- Identifies areas for continuous improvement.

IX. Spillage Control

- Takes proactive measures to capture and minimize spillage incidents.
- Monitors and responds timely to mitigate adverse effects on employees and the environment.
- Fosters a culture of responsible resource management.

This comprehensive approach reflects the organization's dedication to maintaining the highest standards of health and safety for its employees and the environment.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The entity employs several processes to identify work-related hazards and assess risks on both routine and non-routine basis, ensuring a safe working environment.

Routine Hazard Identification and Risk Assessment:

- **Regular Inspections:** Scheduled workplace inspections by safety officers to identify potential hazards.
- **Job Safety Analysis (JSA):** Systematic evaluation of tasks to identify inherent hazards and develop safe work procedures.
- **Employee Reporting Systems:** Formal channels for employees to report hazards, including forms, digital platforms, and direct communication.
- **Safety Committee Meetings:** Regular meetings to review and discuss hazard reports and risk assessments with representatives from various departments.

- **Routine Maintenance and Inspections:** Regular maintenance of equipment and inspection of safety devices and PPE to ensure functionality.

Non-Routine Hazard Identification and Risk Assessment:

- **Pre-Task Safety Planning:** Detailed risk assessments before non-routine tasks to identify specific hazards and implement control measures.
- **Risk Assessments for New Processes/Equipment:** Comprehensive risk assessments when introducing new processes, machinery, or materials to evaluate and mitigate potential hazards.
- **Incident Investigation and Analysis:** Thorough investigation of incidents and near-misses to identify root causes and prevent recurrence.
- **Change Management Procedures:** Formal processes to assess risks associated with organizational, procedural, or operational changes.
- **Emergency Drills and Simulations:** Regular emergency drills and simulations to identify potential hazards in emergency scenarios and improve response plans.
- **Consultation with Safety Experts:** Engagement of external safety consultants for specialized risk assessments to address complex or unfamiliar hazards.

These processes ensure continuous monitoring, evaluation, and mitigation of risks, promoting a safe and healthy workplace.

c) Whether you have processes for workers to report work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company utilizes a structured process called the "Abnormality Register" to document and record any instances of abnormalities within its operations. This formal mechanism facilitates the prompt reporting and documentation of deviations from the norm or unexpected occurrences. By implementing the Abnormality Register, the entity ensures that all irregularities are effectively logged, enabling thorough analysis, appropriate remedial actions, and continuous improvement of overall operations.

d) Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes, the entity generously extends a comprehensive Mediclaim Policy to all its diligent and dedicated employees and workers, assuring them of essential health coverage and protection. This thoughtful initiative underscores the Company's unwavering commitment to the well-being and welfare of its valuable workforce, recognizing the significance of providing a safeguard against unforeseen medical expenses. By equipping its personnel with this indispensable benefit, the entity not only fosters a nurturing and caring work environment but also empowers its team members to focus wholeheartedly on their professional pursuits, knowing that their health needs are diligently taken care of.

11. Details of safety-related incidents, in the following format

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers		
Total recordable work-related injuries	Employees		
	Workers		
No. of fatalities	Employees		
	Workers		
High consequence work-related injury or ill-health (excluding fatalities)	Employees		
	Workers		

**Including the contract workforce*

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The organization emphasizes the well-being and security of its employees by implementing comprehensive safety protocols to ensure a safe and productive working environment. Key measures include:

- **Extensive Safety Training:** Regular training sessions are conducted to equip all employees with the essential knowledge and skills to manage potential hazards effectively.
- **Personal Protective Equipment (PPE):** Each employee receives a PPE kit, including safety shoes, hand gloves, masks, goggles, head caps, and gum boots, ensuring they are adequately protected from job-specific risks.
- **Rigorous Safety Work Permit System:** A strict permit system is in place to carefully regulate and monitor potentially hazardous tasks, ensuring they are performed with maximum caution and adherence to safety guidelines.

These initiatives highlight the organization's dedication to maintaining a secure and supportive workplace for all employees.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL			NIL		
Health & Safety						

14. Assessments for the year:

Particulars	FY 2023-24 % of your plants and offices that were assessed (by entity or statutory authorities or third parties)	FY 2022-23 % of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the entity is assessed (by Joint Director of Industrial Safety & Health).	100% of the entity is assessed (by Joint Director of Industrial Safety & Health).
Working Conditions		

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The organization has achieved an impressive record of zero significant incidents in the current fiscal year, attributed to the meticulous implementation of effective preventive measures. These measures include:

- **Fire Safety Systems:** Installation of foam sprinkler systems and automated fire detection systems to promptly address any potential fire hazards.
- **Safety Awareness Training:** Ongoing investment in safety awareness training ensures that all personnel are well-informed and equipped to respond appropriately in critical situations.
- **Regular Mock Drills:** Conducting regular mock drills to familiarize employees with emergency protocols and improve their response times.
- **Robust Work Permit System:** Implementation of a stringent work permit system ensures that all tasks adhere to strict safety guidelines and protocols.
- **Hazardous Material Removal:** Meticulous removal of hazardous and dangerous materials from the boiler room, significantly reducing potential risks and enhancing overall workplace safety.

These initiatives collectively underscore the organization's commitment to maintaining a safe and secure working environment for all employees.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company has diligently conducted a comprehensive mapping exercise to categorize stakeholders into distinct and significant groups. These groups include:

- Investors
- Shareholders
- Employees
- Local communities (with a focus on vulnerable groups such as women and individuals with disabilities)
- Civil society (including NGOs)
- Legal institutions
- Trade associations
- Media
- Suppliers
- Business partners
- Customers
- Dealers
- Regulatory bodies
- Competitors

To ensure effective management of each stakeholder group, the Company has designated specific teams responsible for fostering and maintaining these relationships. This approach underscores the Company's commitment to engaging meaningfully with all stakeholders and fostering a mutually beneficial and responsible business environment.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	• E-mail • Intranet portal • Newsletters • Employee engagement activities and Surveys • Rewards and Recognitions	Continuous	• Employees are the most important assets of the Company and are essential to Company's long-term success. They are critical to increasing the Company's competitiveness and confirming its market leadership
Shareholders and Investors	No	• Annual General Meeting • Investor Calls & Analyst Meets • Investor Relations Web Page • Quarterly condensed financial statements • Annual Report • Investor conference calls • Press Releases	Quarterly, Half Yearly, Annually, event based & as and when required	• Sound corporate governance mechanisms, announcing financial results, Annual Reports, intimation to physical shareholders regarding Dispute Resolution Mechanism etc.
Customers	No	• Engagement through website, social media, in-store promotions • Brand campaigns conducted regularly, during festive seasons and sales promotions	Continuous	• End consumers hold a paramount role as key stakeholders, as their satisfaction and delight constitute a pivotal component of our strategy for achieving success.
Vendors	Yes	• E-mail • Phone calls • In-person meetings	As and when needed	• Fulfilment of services asked as per contract.
Supply Chain Partners	No	• One-to-one meetings • Regular operational reviews	Continuous	• The Company collaborates with the suppliers to maintain seamless business operations by ensuring effective and efficient procurement practices.
Communities	Yes	• CSR Initiatives • Volunteering initiatives	Continuous	• Responsible corporate citizenship • To develop the CSR project along with the community, according to the need of the community
Government and Regulatory Authorities	No	• Disclosures and filings for compliance reporting • Meeting authorities for permissions/ approvals	Audits conducted periodically/ monthly/ quarterly/ annually and on need basis	• Compliance • Tax Payments • Policy Advocacy

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	834	834	100%	640	640	100%
Other than permanent	67	67	100%	69	69	100%
Total Employees	**901**	**901**	**100%**	**709**	**709**	**100%**
Workers						
Permanent	62	62	100%	62	62	100%
Other than permanent	575	575	100%	427	427	100%
Total Workers	**637**	**637**	**100%**	**489**	**489**	**100%**

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	801	0	0%	801	100%	609	5	0.82%	604	99.18%
Female	33	0	0%	33	100%	31	0	0%	31	100%
Other than Permanent										
Male	55	0	0%	55	100%	55	10	18.18%	45	81.82%
Female	12	0	0%	12	100%	14	4	28.57%	10	71.43%
Workers										
Permanent										
Male	62	0	0%	62	100%	62	19	30.65%	43	69.35%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	566	566	100%	0	0%	405	405	100%	0	0%
Female	9	9	100%	0	0%	22	22	100%	0	0%

3. Details of remuneration/salary/wages:

a. Median remuneration / wages:

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)				
- Executive Director	1	2,49,99,996	0	0
- Non-Executive Directors*	5	-	1	-
Key Managerial Personnel	2	1,84,24,998	1	32,53,647
Employees other than BoD and KMP	797	7,56,985	32	7,65,678
Workers	62	32,098	0	0

** During the financial year 2023- 24, Non-Executive Directors did not receive any remuneration, except for sitting fees paid for attending Board/Committee meeting(s) to Non-Executive Independent Directors. Hence, detailed remuneration information for Non-Executive Directors is not applicable. In calculating median remuneration, only permanent employees who were employed with the Company for the full financial year are considered.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2023-24	FY 2022-23
Gross wages paid to females as a % of Total wages	4.15%	5%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, it is the responsibility of HR personnel to handle and resolve human rights concerns or consequences that have been instigated or contributed to by the Company. Corporate HR is responsible for addressing these issues within stipulated timelines, ensuring that all human rights matters are managed promptly and effectively. This approach highlights the Company's commitment to upholding human rights standards and maintaining a respectful and compliant workplace environment.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the organization has established a system for addressing grievances. Individuals can reach out to their direct superior and/or a member of the human resources team to voice their concerns. This system ensures that grievances are handled promptly and fairly, fostering an open and supportive work environment. This commitment to effective grievance resolution depicts the organization's dedication to maintaining a positive and inclusive workplace.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0	0	N.A.	0	0	N.A.
Discrimination at workplace						
Child labour						
Forced labour / Involuntary labour						
Wages						
Other human rights related issues						

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

Particulars	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/ workers		
Complaints on POSH Upheld		

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Internal Committee for the Prevention of Sexual Harassment, operating in accordance with established Standard Operating Procedures (SOPs), employs measures to proactively mitigate any adverse effects that may arise for the complainant in cases of discrimination and harassment. The approach of the Committee guarantees that each case is managed with the highest level of sensitivity and consideration, prioritizing the protection and welfare of the individual who has filed the complaint. By adhering strictly to SOPs, the Committee ensures a secure and confidential environment, thereby creating a supportive atmosphere in which the complainant can feel assured and supported throughout the process.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes, the Company is committed to upholding and promoting human rights principles throughout all aspects of our operations and partnerships. To ensure adherence to these principles, the Company incorporates them into the Code of Conduct policy. This policy requires that all agreements and contracts address human rights issues, reinforcing our dedication to compliance and ethical standards.

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	100%
Forced/ Involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others - please specify	-

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

At Shalimar Paints, it is noted that no instances of the issues in question have been reported. Consequently, no corrective actions have been required. This outcome highlights the Company's effective management and commitment to maintaining a positive and compliant environment.

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

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	Units	FY 2023-24	FY 2022-23
From renewable sources			
Total electricity consumption (A)	GJ	973.73*	-
Total fuel consumption (B)	GJ	-	-
Energy consumption through other sources (C)	GJ	-	-
Total energy consumed from renewable sources (A+B+C)	**GJ**	**973.73**	**-**
From non-renewable sources			
Total electricity consumption (D)	GJ	11990.10	11491.43
Total fuel consumption	GJ	1836.55	5254.39
Energy consumption through other sources (F)	GJ	100.02	-
Total energy consumed from non-renewable sources (D+E+F)	**GJ**	**13926.67**	**16745.82**
Total energy consumed (A+B+C+D+E+F)	**GJ**	**14900.40**	**16745.82**
Energy intensity per lakh INR of turnover (Total energy consumed / Revenue from operations)	GJ/ INR	**0.28**	**0.35**
Energy intensity per lakh INR of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	**GJ/ Dollar lakh**	**6.24**	**7.75**
Energy intensity in terms of physical output	**(GJ/KL)**	**0.61**	**0.46**

***Note:** In FY 2023-24, Chennai plant installed solar panels at its facility, leading to a shift towards energy consumption from renewable sources. The provided information pertains exclusively to the energy consumption of four specific plants (located in Chennai, Nashik, Sikandrabad and Howrah) as well as the Corporate Office.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Not Applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	66171	63340
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	**66171**	**63340**
Total volume of water consumption (in kilolitres)	66171	63340
Water intensity per lakh INR of turnover (Total water consumption/ Revenue from operations)	**1.24**	**1.31**
Water intensity per lakh INR of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	**27.71**	**29.33**
Water intensity in terms of physical output	**2.72**	**1.75**

***Note:** The Howrah plant is currently non-operational, and as a result, water consumption metrics are temporarily not being recorded for this location. Additionally, data from the Corporate Office is not included, as water consumption was minimal compared to the reported plants.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

4. Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	The Company has implemented a Zero Liquid Discharge (ZLD) strategy, effectively ensuring that no water is discharged at the site. This proactive approach helps the Company maintain stringent water management practices.	
• No treatment		
• With treatment – please specify level of Treatment		
(ii) To Groundwater		
• No treatment		
• With treatment – please specify level of Treatment		
(iii) To Seawater		
• No treatment		
• With treatment – please specify level of Treatment		
(iv) Sent to third parties		
• No treatment		
• With treatment – please specify level of Treatment		
(v) Others		
• No treatment		
• With treatment – please specify level of Treatment		
Total water discharged (in kilolitres)		

Note: *The Howrah plant is currently non-operational, and as a result, water consumption metrics are temporarily not being recorded for this location.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, the organization has implemented a Zero Liquid Discharge strategy, incorporating wastewater treatment facilities at different locations. In Chennai, it has established an Effluent Treatment Plant (ETP) with a 1KLD capacity and a Sewage Treatment Plant (STP) with a 4KLD capacity. Similarly, in Nashik, the organization has installed both an ETP and STP with 15KLD capacities, and at SKBD, it has set up an ETP with a 9KLD capacity, all supporting its Zero Liquid Discharge initiatives.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	***Please specify unit***	***FY 2023-24***	***FY 2022-23***
NOx	Mg/Nm^3	38.02	80.53
SOx	Mg/Nm^3	21.35	21.72
Particulate matter (PM)	Mg/Nm^3	27.25	41.60
Persistent organic pollutants (POP)	-		
Volatile organic compounds (VOC)	Mg/Nm^3	0.2	-
Hazardous air pollutants (HAP)	-		
Others - please specify	-		

Note: *The air emissions data for FY 2023-24 pertains exclusively to the Chennai, Nashik, and Sikandrabad plants. Please note that the data from the Nashik and Howrah plants were not included in the previous year's data for FY 2022-23.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO_2 equivalent*	129.7	789.7
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO_2 equivalent*	2384.7	2227.8
Total Scope 1 and Scope 2 emission intensity per lakh of turnover (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations)	*Metric tonnes of CO_2 equivalent/ INR lakhs*	0.05	0.06
Total Scope 1 and Scope 2 emission intensity per lakh of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	*Metric tonnes of CO_2 equivalent/ Dollar lakh*	1.06	1.39
Total Scope 1 and Scope 2 emission intensity in terms of physical output	*Metric tonnes of CO_2 equivalent/ KL*	0.10	0.08

Note: *The Howrah plant is currently non-operational, and as a result, only Nashik, Sikandrabad, and Chennai plant have been taken into account.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

While the Company is not yet engaged in projects targeting greenhouse gas (GHG) emissions, its strategic roadmap includes a strong commitment to addressing this issue. Looking ahead, the organization plans to incorporate GHG reduction initiatives into its future projects, reinforcing its dedication to environmental sustainability and proactive climate action.

9. Provide details related to waste management by the entity, in the following format:

Parameter	**FY 2023-24**	**FY 2022-23**
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.95	480.51
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	10.9	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	-	-
Total (A + B + C + D + E + F + G + H)	**11.85**	**480.51**
Waste intensity per lakh of turnover (Total waste generated / Revenue from operations)	**0.0002**	**0.010**
Waste intensity per lakh of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	**0.01**	**0.22**

Parameter	FY 2023-24	FY 2022-23
Waste intensity in terms of physical output	**0.0005**	**0.01**
Category of Waste		
(i) Recycled	-	29.53
(ii) Re-used	58.36	12647.44
(iii) Other recovery operations	-	-
Total	**58.36**	**12676.97**
Category of Waste		
(i) Incineration	5	2.5
(ii) Landfilling	-	-
(iii) Other disposal operations	5.9	-
Total	**10.9**	**2.5**

Note: *The Howrah plant is currently non-operational, and as a result, waste consumption metrics are temporarily not being recorded for this location.*

The Company follows a 'Buyback policy' for all the Battery waste generated across all plants. The discarded containers and koni bags are reused at the plant site. And the expired paints are also reprocessed for further usage.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.- No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is authorized to manage hazardous waste and has formalized agreements with Pollution Control Board-approved vendors for its handling. For non-hazardous waste, it collaborates with specialized vendors focused on recycling and reuse. This comprehensive approach ensures responsible waste management, compliance with regulations, and contributes to a sustainable and eco-friendly environment.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If not, the reasons thereof and corrective action taken, if any.
Not Applicable, as the entity has no operations or offices in or around ecologically sensitive areas			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name & brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No) (Yes / No)	Results communicated in public domain	Relevant weblink
Not Applicable					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the entity fully complies with all relevant environmental laws and regulations, including holding the necessary Consent to Operate (CTO) for air and water quality monitoring. Additionally, it has secured all required permits and authorizations for the appropriate handling of hazardous waste.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations - NIL

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
Not applicable		

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of the case	Corrective action taken
There were no adverse orders from regulatory authorities hence, this question is not applicable.		

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

S. No.	Name & brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant web link
Nil						

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil						

3. Describe the mechanisms to receive and redress grievances of the community

The Company is actively working towards establishing a redressal mechanism for the community and is committed to implementing this system in the near future. This initiative will enable to address community concerns more effectively and foster stronger, more positive relationships with all stakeholders.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2023-24	FY 2022-23
Directly sourced from MSMEs/ small producers	34%	17%
Sourced directly from within India	66%	83%

5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost (Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

Location	FY 2023-24	FY 2022-23
Rural	32.10%	33.35%
Semi-Urban	-	-
Urban	48.38%	47.44%
Metropolitan	19.51%	19.21%

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

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

The specifically designated email address askus@shalimarpaints.com is in place to serve as a formal communication channel. Its primary purpose is to provide a platform for individuals and groups to officially submit their complaints, objections, or concerns. This email address has been widely shared with all relevant parties, ensuring that everyone has a designated method for expressing any issues or concerns they wish to address.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage of total turnover
Environmental and social parameters relevant to the product	70%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. Number of consumer complaints in respect of the following:

Category	FY 2023-24			FY 2022-23		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil			Nil		
Advertising						
Cyber-security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other*	50	-	NIL	499	74	-

***** *This includes the customer complaints regarding product queries as mentioned in Section-A: VII: Question no. 25*

4. Details of instances of product recalls on account of safety issues:

Category	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company has implemented robust cybersecurity and data privacy measures. We have implemented a Data Protection policy that outlines guidelines for safeguarding confidential material and information from cyber threats and risks. Users are encouraged to share sensitive information judiciously and promptly report any issues to the IT team. This initiative reflects the commitment to transparent and secure stakeholder engagement while adhering to data protection regulations. The policy is available to the employees in the Company's intranet portal.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

NIL

7. Provide the following information relating to data breaches:

- Number of instances of data breaches along with impact - NIL
- Percentage of data breaches involving personally identifiable information of customers - Not applicable
- Impact, if any, of the data breaches - Not applicable

SHALIMAR PAINTS

Independent Auditor's Report

To the Members of Shalimar Paints Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Shalimar Paints Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. 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 Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter		How our audit addressed the key audit matter
A.	**Revenue recognition** (Refer Note 3.3 and 32 for details of revenue recognised during the year) The Company's revenue is derived primarily from manufacturing, selling and distribution of paints, coatings and providing related services recognised in accordance with the accounting policy described in the accompanying standalone financial statements. In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, ('Ind AS 115') revenue from the sale of products is recognised by the Company when the performance obligation is satisfied, i.e., when the 'control' of the goods underlying the particular performance obligation is transferred to the customer. The performance obligations are generally considered to be satisfied by the management when the buyer examines the goods after taking delivery in accordance with the terms and conditions included in the revenue contracts. Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programs run by the Company, which requires estimates to be made by the management at each year end. Further, the Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	Our audit procedures for testing revenue recognition included, but were not limited to the following: a) Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards; b) Obtained an understanding of the management's processes and controls relating to revenue recognition; c) Evaluated the design and tested the operating effectiveness of Company's key internal controls relating to revenue recognition; d) Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, purchase order, sales order, sales invoice and proof of delivery through dispatch/shipping documents; e) Performed testing of samples of revenue transactions recorded during specific period before and after year-end by verifying underlying documents as above, to assess whether revenue was recognised in the correct period; f) Performed analytical procedures which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors;

Independent Auditor's Report

Key audit matter		How our audit addressed the key audit matter
	Considering the above factors and the amounts involved, it required considerable audit efforts in testing revenue recorded during the year, and therefore, we have identified revenue recognition as a key audit matter in the current year audit.	g) Tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting. For the samples selected compared that the actual rebates and discounts recognised in respect of particular schemes do not exceed their approved amounts; h) Circularised balance confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any; and i) Assessed that the adequacy of disclosures made by the management are in accordance with the applicable accounting standards.
B.	**Provision for Obsolescence of Inventory** (Refer Note 3.5 and 13 for details of inventory as at 31 March, 2024). The Company held inventories aggregating Rs. 116.48 crores as at 31 March, 2024 comprising of raw materials, work-in progress, stock-in-trade, finished goods, packaging materials and stores, spares and consumables, on which the Company has recorded an obsolescence provision amounting to Rs. 4.98 crores as at 31 March 2024. At each reporting period end, the management assesses whether there is any objective evidence indicating that the net realisable value of any item of inventory is below its carrying value. If so, such inventories are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories ('Ind AS 2'). The factors that the Company considers in determining the provision for slow moving, obsolete, damaged and other non-saleable inventory include estimated remaining shelf life, product discontinuances and ageing of inventory, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis. The aforesaid determination involves significant management judgement and high estimation uncertainty on account of usage of slow moving, obsolete and other non-saleable inventory. Considering the above, provision for obsolescence of inventory has been considered as key audit matter for the current year audit.	Our audit procedures for testing provision for obsolescence of inventory included, but were not limited to the following: a) Obtained an understanding of management's process to identify slow-moving, obsolete, and other non-saleable inventory, and process of consequent measurement of required provision for obsolescence. b) Evaluated the appropriateness of related accounting policies adopted by the Company in accordance with the requirements of Ind AS 2 ('Ind AS 2'); c) Evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to aforesaid process; d) Evaluated the nature, source and reliability of all the information used by the management for arriving at the estimates for determination of provision for obsolescence of inventory and observed physical count at few locations; e) For the provision made in respect of non-processable inventory and reprocessing cost to be incurred on re-processable inventory, discussed with the senior management the basis of identification of such inventory along with the judgement and estimates used. We have evaluated the aforesaid in view of our understanding of the business and industry conditions. Further, reperformed computations to validate the accuracy and completeness of such provision; and f) Evaluated appropriateness of disclosures made in the standalone financial statements.
C.	**Impairment assessment of freehold land at Kolkata** As described in Note 3.18 to the standalone financial statements, In year 2014 the operations in Company's Kolkata plant were suspended after a fire incident as a result of which the land at Kolkata plant is not used to its full capacity. The aforesaid matter is impairment indicator and triggered a need for impairment assessment. Management, during the year ended 31 March 2024, has carried out valuation of land whereby the carrying amount of the land was compared with the recoverable value as determined under the principles of Ind AS 36. The aforesaid recoverable value has been determined by the management with the help of an external valuation expert using market approach and the key assumptions underpinning such valuation are guideline rate published by state government.	Our audit procedures for impairment assessment of Kolkata (Howrah) freehold land included, but were not limited to the following: a) Discussed with the management, future plans of the Company with respect to alternate use of the plant and future revival of operations of the plant; b) Assessed the appropriateness of the accounting policies with respect to Property plant and equipment and its compliance with applicable accounting standards "IND AS 16"; c) Obtained an understanding of the management's processes and tested the design and operating effectiveness of internal controls over identification and impairment test procedures;

Independent Auditor's Report

Key audit matter		How our audit addressed the key audit matter
	Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in the impairment evaluation, impairment assessment of the land at Kolkata plant was determined as a key audit matter.	d) Reviewed the fair valuation report with respect to Howrah land at Kolkata plant obtained by the management from an independent valuer and assessed the professional competence, skills and objectivity of the valuer for performing the required valuation; e) Assessed the appropriateness of the significant assumptions as well as the Company's valuation methodology and assumptions with the support of auditor's valuation specialists; and f) Evaluated the adequacy and appropriateness of disclosures made by the Company in the standalone financial statements, as required by the applicable provisions of the Act and the requirement of Ind AS 36.

Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of 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 including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to

Independent Auditor's Report

provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, 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 purpose of our audit of the accompanying standalone financial statements;

    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, except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The standalone financial statements dealt with by this report are in agreement with the books of account;

    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act;

    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2024 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and

    h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

Independent Auditor's Report

i. the Company, as detailed in note 44 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2024;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 60 (m) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 60 (n) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses iv(a) and iv(b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2024.

vi. As stated in note 61 to the financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below:

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUED5392

Place: Gurugram
Date: 17 May 2024

Independent Auditor's Report

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Shalimar Paints Limited on the standalone financial statements for the year ended 31 March 2024

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 5.1 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Nasik and Chennai with gross carrying values of Rs 21.77 crores and Rs 3.60 crores as at 31 March 2024, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in Note 60(g) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

Name of the Banks / financial institution	Working capital limit sanctioned	Nature of current assets offered as security	Quarter	Information as per books of accounts	Information disclosed as per return	Difference
Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	16,250	Pari Passu charge on current assets, also refer note no. 26 of standalone financials	30 June 2023	218.57	238.64	(20.07)
			30 September 2023	215.33	241.22	(25.89)
			31 December 2023	232.65	248.24	(15.59)
			31 March 2024	226.33	254.05	(27.72)

(iii) The Company has not made investments in, provided any guarantee or security or advances in the nature of loans to companies, firms, limited liability partnerships during the year. Further, the Company has granted unsecured loans to companies during the year, in respect of which:

(a) The Company has provided loans to Subsidiaries during the year as per details given below:

Independent Auditor's Report

(Amount in Rs. crores)

Particulars	Loans
Aggregate amount provided during the year: - Subsidiaries	0.05
Balance outstanding as at balance sheet date: - Subsidiaries	3.00

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. Further, the Company has not made investments, provided any guarantees, granted advances in the nature of loans or given any security.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies. The Company has not granted any loans to firm, LLPs or other parties.

(e) The Company has not granted any loans which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.

(f) The Company has granted loans which are repayable on demand, as per details below:

(Amounts in INR Crores)

Particulars	All Parties	Related Parties
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	 3.00 -	 3.00 -
Total (A+B)	3.00	3.00
Percentage of loans	100%	100%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of investments made, as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of loans granted, guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act, for the products of the Company. However, according to the information and explanation given to us, such records have not been made.

(vii) (a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (Rs.)	Amount paid under Protest (Rs.)	Period to which the amount relates *	Forum where dispute is pending	Remarks, if any
Income-Tax Act, 1961	Income Tax	2.58	-	AY 2015-16	Commissioner Income Tax (Appeals), New Delhi	-
Income-Tax Act, 1961	Income Tax	2.46	-	AY 2018-19	Commissioner Income Tax (Appeals), New Delhi	-

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Name of the statute	Nature of dues	Gross Amount (Rs.)	Amount paid under Protest (Rs.)	Period to which the amount relates *	Forum where dispute is pending	Remarks, if any
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.09	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.06	-	FY 2006-07	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.14	-	FY 2008-09	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.18	-	FY 2016-17	Assistant Commissioner, Bihar	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.24	0.03	FY 1996-97	Commissioner, Delhi	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.01	-	FY 2015-16	Assistant Commissioner, Delhi	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.17	-	FY 2005-06	Tribunal level in Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.02	-	FY 2013-15	Tribunal level in Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.00	-	FY 2015-16	CIT, Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.01	-	FY 1995-96	Revision board, Tripura	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.04	-	FY 2016-17	Commissioner, Tripura	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.04	-	FY 2016-17	CIT, Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.00	-	FY 1994-95	Revision board, Tripura	-

Independent Auditor's Report

Name of the statute	Nature of dues	Gross Amount (Rs.)	Amount paid under Protest (Rs.)	Period to which the amount relates *	Forum where dispute is pending	Remarks, if any
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.14	-	FY 2013-14	Appeal with Joint Commissioner, Uttarakhand	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.04	-	FY 2013-14	High Court, Kerala	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.10	-	FY 2012-13	Assistant Commissioner, Ahmedabad, Gujarat	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT/ET	0.02	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT/CST	0.02	0.00	FY 2005-06	Assistant Commissioner, Madhya Pradesh	-
The Uttar Pradesh Goods and Services Tax Act, 2017	GST	0.77	-	FY 2017-18	Appellate Authority Tribunal, Uttarpradesh	-

*****FY – Financial Year; AY – Assessment Year

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks, representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilized for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) During the year, the Company has made preferential allotment of shares. In our opinion and according to the information and explanations given to us, the Company has complied with the requirements of section 42 and section 62 of the Act and the rules framed thereunder with respect to the same. Further, the amounts so raised were used for the purposes for which the funds were raised, though idle funds which were not required for immediate utilization have been invested in readily realizable liquid investments.

Independent Auditor's Report

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC (Core Investment Company).

(xvii) The Company incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 58.75 crores and Rs. 25.51 crores respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUED5392

Place: Gurugram
Date: 17 May 2024

SHALIMAR PAINTS

Independent Auditor's Report

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Shalimar Paints Limited ('the Company') as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to standalone Financial Statements

6. The Company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls with Reference to standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUED5392

Place: Gurugram
Date: 17 May 2024

SHALIMAR PAINTS

Standalone Balance Sheet as at 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	5.1	226.79	224.93
Right-of-use assets	5.2	17.92	16.68
Capital work-in-progress	6	33.67	1.61
Intangible assets	7.1	2.89	3.34
Intangible assets under development	7.2	1.27	0.10
Financial assets			
i) Investments	8	5.84	5.83
ii) Loans	9	3.00	2.95
iii) Other financial assets	10	1.63	1.39
Non-current tax assets (net)	11	3.89	2.99
Other non-current assets	12	9.38	1.21
Total non-current assets		**306.28**	**261.03**
Current assets			
Inventories	13	116.48	113.58
Financial assets			
i) Investment	14	0.04	0.04
ii) Trade receivables	15	109.85	107.52
iii) Cash and cash equivalents	16.1	50.30	21.16
iv) Bank balances other than (iii) above	16.2	5.83	2.21
v) Other financial assets	17	50.05	87.65
Current tax assets (net)	18	-	1.00
Other current assets	19	12.39	11.05
Total current assets		**344.94**	**344.21**
Total assets		**651.22**	**605.24**
Equity and liabilities			
Equity			
Equity share capital	20	16.74	14.44
Other equity	21	360.62	322.19
Total equity		**377.36**	**336.63**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	22	20.38	14.62
ii) Lease liabilities	23	1.49	0.35
iii) Other financial liabilities	24	0.22	0.10
Provisions	25	8.54	6.02
Total non-current liabilities		**30.63**	**21.09**
Current liabilities			
Financial liabilities			
i) Borrowings	26	82.82	124.27
ii) Lease liabilities	27	1.19	0.83
iii) Trade payables	28		
'Total outstanding dues to micro enterprises and small enterprises		11.77	10.11
'Total outstanding dues to trade payables other than micro and small enterprises		122.97	89.89
iv) Other financial liabilities	29	9.83	6.82
Other current liabilities	30	6.32	4.72
Provisions	31	8.33	10.88
Total current liabilities		**243.23**	**247.52**
Total liabilities		**273.86**	**268.61**
Total equity and liabilities		**651.22**	**605.24**
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1-63		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Standalone Statement of Profit and Loss for the year ended 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	32	534.91	483.81
Other income	33	8.17	7.21
Total income		**543.08**	**491.02**
Expenses			
Cost of materials consumed	34	362.77	345.56
Purchases of stock-in-trade	35	30.80	24.48
Changes in inventories of finished goods, work-in-progress and stock-in-trade	36	(5.81)	(13.44)
Employee benefits expense	37	77.11	53.87
Finance costs	38	12.96	15.90
Depreciation, amortisation and impairment expense	39	14.82	12.69
Other expenses	40	124.18	88.06
Total expenses		**616.83**	**527.12**
Loss before tax		**(73.75)**	**(36.10)**
Tax expense	41		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		**(73.75)**	**(36.10)**
Other comprehensive income			
a. Items that will not be reclassified to Profit or Loss			
(i) Remeasurement gain on defined benefit plans	42	0.06	0.45
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total other comprehensive income for the year		**0.06**	**0.45**
Total comprehensive income for the year		**(73.69)**	**(35.65)**
Earnings per equity share of face value of Rs. 2 each			
1) Basic (in Rs.)		(9.51)	(5.00)
2) Diluted (in Rs.)		(9.51)	(5.00)
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1-63		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

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Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Standalone Cash Flow Statement as at 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

('Indirect method')

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Operating activities		
Loss before tax	(73.75)	(36.10)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation, amortisation and impairment expense	14.82	12.69
Gain on lease modification	(0.03)	-
Interest expense	12.96	15.86
Interest income classified as investing cash flow	(6.35)	(5.11)
(Profit)/Loss on disposal of property, plant and equipment	(1.35)	0.01
Provision for advance to supplier	0.21	(1.99)
Excess liabilities written back	(0.26)	-
Advances written off	0.38	-
Employee stock option expense	1.91	-
Unrealised gain on foreign currency translations	(0.03)	(0.11)
Provision for inventory obsolescence	2.73	3.98
Operating profit before working capital changes	**(48.76)**	**(10.77)**
Working capital adjustments:		
Increase in inventories	(2.89)	(22.22)
Increase in trade receivables	(2.32)	(28.93)
Decrease in other current and non-current financial asset	33.07	4.59
(Increase) / Decrease in other current and non-current asset	(2.18)	4.21
Increase in other current and non-current financial liability	4.31	0.77
Increase in other current liability	1.60	1.02
Increase in trade payables	34.77	4.39
Increase/ (Decrease) in provisions	0.02	(0.44)
Total cash generated/ (used in) operations	**17.62**	**(47.38)**
Net income tax paid / (refund)	0.10	(0.54)
Net cash generated/ (used in) operating activities (A)	**17.72**	**(47.92)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including adjustments on account of capital-work-in-progress, capital advances and capital creditor)	(57.20)	(11.18)
Proceeds from sale of property, plant and equipment	1.57	0.03
Loan given to subsidiary	(0.05)	(0.02)
Investment in bank deposits	(3.73)	(75.41)
Interest received	8.02	2.80
Net cash used in investing activities (B)	**(51.39)**	**(83.78)**
C. Financing activities		
Issue of share capital	2.30	-
Proceeds from securities premium	110.20	-
Repayment of debentures	(54.33)	-
Proceeds from share warrants	-	37.50
Proceeds from long term borrowings	18.06	-
Repayment of long term borrowings	(14.69)	(15.08)
Proceeds/ (repayment) of short-term borrowings (net)	15.26	(13.24)
Repayment of principal element of lease liabilities	(1.23)	(1.17)
Cash payment for interest portion of lease liabilities	(0.19)	(0.19)
Interest paid	(12.57)	(14.69)
Net cash flows generated/ (used in) from financing activities (C)	**62.81**	**(6.87)**
Net change in cash and cash equivalents (D=A+B+C)	**29.14**	**(138.57)**
Cash and cash equivalents at the beginning of year (E)	21.16	159.73
Cash and cash equivalents at the end of year (D+E)	**50.30**	**21.16**
Reconciliation of cash and cash equivalents as per the cash flow statement (refer note 16.1)		
Cash and cash equivalents as per above comprise of the following:		
i) Cash on hand	0.00	0.00
ii) Balance with banks :		
-In current accounts	12.30	21.16
-Balance in deposits with original maturity less than 3 months	38.00	-
Total	**50.30**	**21.16**

Refer note 54 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7

The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.1-63

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Standalone Statement Of Changes In Equity for the year ended 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

A	Equity Share Capital	Notes	No. of shares	Amount
	Equity share capital as at 1 April 2022		7,22,16,926	14.44
	Changes in equity share capital during the year		-	-
	Equity share capital as at 31 March 2023	20	7,22,16,926	14.44
	Changes in equity share capital during the year		1,14,94,252	2.30
	Equity share capital as at 31 March 2024	20	**8,37,11,178**	**16.74**

B Other equity

Particulars	Notes	Reserves & Surplus						Equity portion of optionally convertible debentures (OCD)	Money received against share warrants	Total
		Securities premium	Share options outstanding account	General reserve	Retained earnings	Revaluation reserve	Capital reserve			
Balance as at 01 April 2022		**463.90**	**0.05**	**40.62**	**(295.14)**	**108.71**	**-**	**2.25**	**-**	**320.39**
-Loss for the year		-	-	-	(36.10)	-	-	-	-	(36.10)
-Other comprehensive income for the year										
Remeasurement gain on defined benefit plans		-	-	-	0.45	-	-	-	-	0.45
-Money received against share warrants		-	-	-	-	-	-	-	37.50	37.50
-Employee stock option expense reversal		-	(0.05)	-	-	-	-	-	-	(0.05)
Balance as at 31 March 2023	21	**463.90**	**-**	**40.62**	**(330.79)**	**108.71**	**-**	**2.25**	**37.50**	**322.19**
-Loss for the year		-	-	-	(73.75)	-	-	-	-	**(73.75)**
-Other comprehensive income for the year										
Remeasurement gain on defined benefit plans		-	-	-	0.06	-	-	-	-	**0.06**
-Transfer of equity portion to capital reserve on repayment		-	-	-	-	-	2.25	(2.25)	-	**-**
-Premium received on issue of equity shares		147.70	-	-	-	-	-	-	-	**147.70**
-Transfer of money received against share warrants on issue of equity shares		-	-	-	-	-	-	-	(37.50)	**(37.50)**
-Employee stock option expense		-	1.91	-	-	-	-	-	-	**1.91**
Balance as at 31 March 2024	21	**611.60**	**1.91**	**40.62**	**(404.48)**	**108.71**	**2.25**	**-**	**-**	**360.62**

The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements. 1-63

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

Notes to the Standalone Financial Statements for the year ended 31 March 2024

1. Company background

Shalimar Paints Limited ("the Company") is a public limited Company domiciled in India with corporate identification number L24222HR1902PLC065611. The registered office of the Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Company has pan-India presence through its marketing offices in all major states in India and has its manufacturing units in Nashik, Howrah, Sikandrabad and Chennai.

2. Basis of preparation of standalone financial statements

The accounting policies have been applied consistently over all the periods presented in these standalone financial statements. The standalone financial statements provide comparative information in respect of previous year. These standalone financial statements are approved for issue on 17 May 2024 in accordance with the resolution of the Board of Directors.

The Company presents assets and liabilities in the standalone balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

Statement of compliance

These standalone financial statements have been prepared as a going concern in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act and guidelines issued by the SEBI to the extent applicable.

3. Material accounting policies

3.1 Basis of measurement

The standalone financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1 April 2016);
- Certain financial assets and liabilities measured at fair value (refer accounting policy below for financial instruments)
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

The standalone financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest crores and two decimals thereof, except otherwise stated.

3.2 Fair value measurements

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable.

a) Sale of goods:

Revenue from the sale of manufactured and traded goods is recognised upon transfer of control of products to the customers which coincides with their handing over the goods to the transporter and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

b) Services rendered:

Revenue from service-related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

3.4 Other Income

Interest Income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive dividend is established.

3.5 Inventories

Inventories are valued as follows:

a) Raw materials, components, stores and spares:

At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

b) Work-in-progress:

At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) Finished goods:

i. Self-manufactured - At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average cost basis.

ii. Traded - At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unprocessable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

3.6 Property, plant and equipment and capital work-in-progress

a. Measurement at recognition

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Standalone Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Standalone Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date.

b. Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognised.

c. Depreciation

Depreciation on property, plant and equipment is provided on straight line method in the manner specified in Schedule II of the Companies Act, 2013 as given below and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value.

Particulars	Useful life
Factory Building	30 years
Other than factory building	60 years
Plant and machinery	7-15 years
Office equipments	5 years
Computer	3 years
Tinting machines	10-15 years
Furniture and fixtures	10 years
Vehicles	8 years
Pallets	2-5 years

Depreciation is charged on fair valued amount less estimated salvage value. Leasehold land is amortised on a straight line basis over the remaining period of lease. Depreciation on tinting machines is basis of technical evaluation.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

3.7 Intangible Assets

a. Measurement at recognition

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

b. Amortisation

Intangible Assets with finite lives are amortized over the estimated useful economic life on straight line method.

The amortisation expense on intangible assets with finite lives is recognized in the Standalone Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Particulars	Useful life
Computer software	6 years
Trademark	10 years
Technical Knowhow	25 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year.

c. Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Standalone Statement of Profit and Loss when the asset is derecognised.

3.8 Investment in subsidiaries

The Company has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'. Cost includes cash consideration paid on initial recognition.

Investment carried at cost is tested for impairment as per Ind AS 36, 'Impairment of Assets'.

3.9 Leases

The Company as a lessee

The Company enters into an arrangement for lease of buildings and equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) The contract involves the use of an identified asset;

b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Company recognises a right-of-use asset (ROU asset) and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The ROU asset is subsequently measured at cost less any accumulated depreciation, and impairment losses. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of ROU asset. ROU asset is tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Company is reasonably certain to exercise.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in standalone profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents short-term leases and leases of low value assets as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.10 Employee benefits

a. Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which the Company pays specified contributions. The Company has defined contribution plans for provident fund and employees' state insurance scheme. The Company's contribution in the above plans is recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

b. Gratuity

Gratuity is a defined benefit plan. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

c. Compensated absences (other long term employee benefits)

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss. The Company presents the leave as a current liability in the standalone balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Standalone Statement of Profit and Loss in the period in which the employee renders the related service.

3.11 Share-based payments

The Company operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (share options outstanding account). At the end of each reporting period, the Company revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the share options outstanding account.

3.12 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or as expenses in the year in which they arise.

3.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.14 Income taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. It is recognised in standalone profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a. Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including on unabsorbed losses) are re-assessed at each reporting date and are recognised to the extent that it has become probable that there is reasonable certainty with convincing evidence of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Company predominantly fall within a single operating segment, i.e., manufacturing and sale of paints. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements, thus there are no additional disclosures to be provided under Ind AS 108 'Segment Reporting'.

3.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the standalone balance sheet.

3.18 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Standalone Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

For purposes of subsequent measurement, financial assets are classified as follows:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the standalone statement of Profit and Loss. The losses arising from impairment are recognised in the standalone statement of Profit and Loss. This category generally applies to trade and other receivables.

b. Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVTOCI"). The Company has not designated any debt instrument in this category.

c. Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss. The Company has not designated any debt instrument in this category.

d. Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Company measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Standalone Statement of Profit and Loss under the head 'other expenses'.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using

the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Standalone Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in Standalone OCI. These gains/ loss are not subsequently transferred to the Standalone Statement of Profit and Loss.

b. Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Standalone Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.20 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.21 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

4. Material management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the standalone financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where material judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the standalone financial statements. Changes in estimates are accounted for prospectively.

i. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

a. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of material judgments and the use of estimates regarding the outcome of future events.

b. Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, material judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Useful lives of tangible/intangible assets

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

b. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Standalone Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Allowance for expected credit loss

The Company applies Expected Credit Losses ("ECL") model for measurement and recognition of loss allowance on trade receivables. In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 'Revenue from Contracts with Customers'.

For this purpose, the Company follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

f. Application of new and revised Indian Accounting Standard (Ind AS)

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8

These amendments did not have any material impact on the Company. For the year ended 31 March 2024, MCA has not notified any new standards applicable to the Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

5.1 Property, plant and equipment

Particulars	Land Free hold [refer note (f)]	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Gross carrying value								
As at 1 April 2022	**97.37**	**95.77**	**68.00**	**0.86**	**1.20**	**3.33**	**13.26**	**279.79**
Additions for the year	-	-	8.03	0.07	0.21	0.71	0.01	9.03
Disposals for the year	-	-	(0.03)	(0.07)	-	(0.02)	-	(0.12)
As at 31 March 2023	**97.37**	**95.77**	**76.00**	**0.86**	**1.41**	**4.02**	**13.27**	**288.70**
Additions for the year	-	0.45	8.13	1.33	0.77	3.19	0.86	14.73
Disposals/ other adjustment [refer note (a) below]	-	(0.32)	(6.04)	(0.72)	-	(0.54)	-	(7.62)
As at 31 March 2024	**97.37**	**95.90**	**78.09**	**1.47**	**2.18**	**6.67**	**14.13**	**295.81**
Accumulated depreciation								
As at 1 April 2022	**-**	**18.37**	**27.25**	**0.49**	**0.32**	**2.30**	**4.50**	**53.23**
Depreciation for the year	-	3.17	6.15	0.04	0.15	0.33	0.78	10.62
Disposals for the year	-	-	(0.03)	(0.04)	-	(0.01)	-	(0.08)
As at 31 March 2023	**-**	**21.54**	**33.37**	**0.49**	**0.47**	**2.62**	**5.28**	**63.77**
Depreciation for the year	-	3.20	7.80	0.21	0.23	0.72	0.48	12.64
Disposals/ other adjustment [refer note (a) below]	-	(0.24)	(5.91)	(0.70)	-	(0.54)	-	(7.39)
As at 31 March 2024	**-**	**24.50**	**35.26**	**-**	**0.70**	**2.80**	**5.76**	**69.02**
Net carrying value								
Balance as at 31 March 2023	97.37	74.23	42.63	0.37	0.94	1.40	7.99	224.93
Balance as at 31 March 2024	97.37	71.40	42.83	1.47	1.48	3.87	8.37	226.79

Notes:

a) During the current year ended 31 March 2024, the management of the Company made detailed assessment of the recoverability of carrying value of tinting machines (included in plant and machinery), office equipment and furniture and fixtures, on the basis of internal and external sources of the information including market conditions. On the basis of such assessment, the management has impaired the carrying value of such property, plant and equipment by Rs 0.83 crores.

b) Refer note 22 and note 26 for details regarding property, plant and equipment which are pledged as security.

c) Refer note 44B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

d) All the title deeds of the immovable properties are held in the name of the Company.

e) This includes land at Goaberia (adjacent to Howrah plant) amounting to Rs. 4.50 crores given as security to Tara Properties Private Limited. Refer note 59.

5.2 Right-of-use assets

Particulars	Buildings Lease hold	Land Lease hold	Total Lease Assets
Gross carrying value			
As at 1 April 2022	**4.10**	**16.91**	**21.01**
Additions for the year	0.68	**-**	0.68
Disposals for the year	(0.42)	-	(0.42)
As at 31 March 2023	**4.36**	**16.91**	**21.27**
Additions for the year	2.84	-	2.84
Disposals for the year	(0.25)	-	(0.25)
As at 31 March 2024	**6.95**	**16.91**	**23.86**
Accumulated depreciation			
As at 1 April 2022	**2.28**	**1.06**	**3.34**
Depreciation for the year	0.99	0.26	1.25
As at 31 March 2023	**3.27**	**1.32**	**4.59**
Depreciation for the year	1.09	0.26	1.35
As at 31 March 2024	**4.36**	**1.58**	**5.94**
Net carrying value			
Balance as at 31 March 2023	1.09	15.59	16.68
Balance as at 31 March 2024	2.59	15.33	17.92

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

6 Capital work-in-progress

Particulars	Amount
Gross carrying value	
As at 1 April 2022	**0.17**
Additions for the year	10.11
Capitalised during the year	(8.67)
As at 31 March 2023	**1.61**
Additions for the year	46.34
Capitalised during the year	(14.28)
As at 31 March 2024	**33.67**

Ageing of capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Projects in progress	33.51	0.16	-	-	33.67
Total	**33.51**	**0.16**	**-**	**-**	**33.67**
As at 31 March 2023					
Projects in progress	1.54	-	-	0.07	1.61
Total	**1.54**	**-**	**-**	**0.07**	**1.61**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

7.1 Intangible assets

Particulars	Computer Software	Technical Know How	Trade Mark	Total
Gross carrying value				
As at 1 April 2022	**6.84**	**0.68**	**0.50**	**8.02**
Additions for the year	0.02	-	-	0.02
As at 31 March 2023	**6.86**	**0.68**	**0.50**	**8.04**
Additions for the year	0.38	-	-	0.38
As at 31 March 2024	**7.24**	**0.68**	**0.50**	**8.42**
Accumulated amortisation				
As at 1 April 2022	**3.16**	**0.25**	**0.47**	**3.88**
Amortisation for the year	0.80	0.02	-	0.82
As at 31 March 2023	**3.96**	**0.27**	**0.47**	**4.70**
Amortisation for the year	0.81	0.02	-	0.83
As at 31 March 2024	**4.77**	**0.29**	**0.47**	**5.53**
Net carrying value				
Balance as at 31 March 2023	2.90	0.41	0.03	3.34
Balance as at 31 March 2024	2.47	0.39	0.03	2.89

7.2 Intangible assets under development

Particulars	Amount
Gross carrying value	
As at 1 April 2022	-
Additions for the year	0.10
As at 31 March 2023	**0.10**
Additions for the year	1.17
As at 31 March 2024	**1.27**

Ageing of intangible assets under development is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Projects in progress	1.17	0.10	-	-	1.27
Total	**1.17**	**0.10**	**-**	**-**	**1.27**
As at 31 March 2023					
Projects in progress	0.10	-	-	-	0.10
Total	**0.10**	**-**	**-**	**-**	**0.10**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

8 Non-current investments

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares/units	Amount	No. of Shares/units	Amount
A. Investment in equity shares in wholly owned subsidiaries (at cost) (unquoted)				
(i) Shalimar Adhunik Nirman Limited				
Fully paid up shares of Rs.10 each	**49,990**	0.05	**49,990**	0.05
Partly paid up shares @ Re.1 each (share of Rs.10 each)	**4,50,000**	0.05	**4,50,000**	0.05
(ii) Eastern Speciality Paints & Coatings Private Limited				
Fully paid up shares of Rs.10 each	**50,000**	0.05	**50,000**	0.05
Less: Provision for impairment in value of investment		(0.03)		(0.03)
Total		**0.12**		**0.12**
B. Investment in others in fully paid equity shares (at FVTPL) (unquoted)				
(i) Woodlands Multispeciality Hospital Limited				
Fully paid up shares of Rs.10 each	**2,350**	0.00	**2,350**	0.00
Total		**0.00**		**0.00**
C. Investment in preference shares in wholly-owned subsidiary companies (amortised cost, unquoted)				
(i) Shalimar Adhunik Nirman Limited				
6% Non-cumulative, non-convertible redeemable preference shares of Rs. 100 each (fully paid up)*	**50,000**	0.45	**50,000**	0.44
Total		**0.45**		**0.44**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares/units	Amount	No. of Shares/units	Amount
D. Investment in perpetual interest free loan given to subsidiary company (amortised cost, unquoted)				
(i) Shalimar Adhunik Nirman Limited				
Interest free loan given (refer note 56)		5.27		5.27
Total		**5.27**		**5.27**
Grand Total (A+B+C+D)		**5.84**		**5.83**

*Pursuant to the Scheme of Arrangement as approved by the Honorable High Courts of Kolkata & Delhi, Real Estate Division of the Company, herein after referred to as 'Transferor Company", has been hived off to Shalimar Adhunik Nirman Limited, a subsidiary of the transferor company, and hereinafter referred to as 'Transferee Company". The said consideration shall be discharged by the transferee company in cash and issue of 6 %, non-cumulative redeemable preference shares of Rs. 100 each, fully paid up, at par, aggregating Rs.0.50 crores to the transferor Company, as per the orders of Honorable High Court.

Refer note 50 for related party transactions and balances.

Aggregate amount of unquoted investments		**5.84**		**5.83**
Aggregate amount of impairment in the value of investments		**0.03**		**0.03**

9 Non-current loans

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured, considered good		
Loan to related parties (at amortised cost) (refer notes 50 and 56)	3.00	2.95
Total	**3.00**	**2.95**

10 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Financial assets at amortised cost		
Security deposits	1.28	1.14
Balance in deposits with maturity of more than 12 months*	0.35	0.25
Total	**1.63**	**1.39**

* These deposits includes items held as security against letter of credits.

11 Non-current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision for income tax)	3.89	2.99
Total	**3.89**	**2.99**

12 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	0.17	0.16
Capital advances	9.21	1.05
Total	**9.38**	**1.21**

13 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw material	33.36	36.39
Work-in-progress	7.82	5.81
Finished goods	72.13	68.33
Stores and spares	3.17	3.05
Total	**116.48**	**113.58**

Notes:

a) Finished goods Rs. 72.13 crores (31 March 2023: Rs. 68.33 crores) is shown net off provision for obsolete, slow moving and damaged inventory of Rs. 4.98 crores (31 March 2023: Rs. 3.23 crores) made in respect of non-processable inventory and other adjustments.

b) Finished goods includes trading goods Rs. 6.59 crores (31 March 2023: Rs. 5.73 crores) and goods-in-transit Rs. 4.34 crores (31 March 2023: Rs. 2.05 crores).

c) The cost of inventories recognised as an expense during the year is disclosed in notes 34, 35 and 36.

d) Refer notes 22 and 26 for information on inventory pledged as security by the Company.

e) Finished goods includes stock-in-trade.

14 Current investments

Particulars	As at 31 March 2024	As at 31 March 2023
A. Investment in preference shares in wholly-owned subsidiary companies (amortised cost, unquoted)		
(i) Shalimar Adhunik Nirman Limited		
6% Non-cumulative, non-convertible redeemable preference shares of Rs. 100 each (fully paid up) (refer note 8 C)	0.04	0.04
Total	**0.04**	**0.04**

15 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
-Considered good - Secured	-	-
-Considered good - Unsecured	109.85	107.52
-Which have significant increase in credit risk	-	-
-Credit impaired	5.90	7.70
	115.75	115.22
Less: Allowance for expected credit loss	(5.90)	(7.70)
Total	**109.85**	**107.52**

Notes:

(i) For trade receivables from related parties, refer note 50.

(ii) Trade receivables are non interest bearing and credit period generally falls in the range of 0 to 120 days.

(iii) Refer note 22 and note 26 for information on trade receivables pledged as security by the Company and details of factoring arrangements for trade receivables.

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(v) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 50.

(vi) Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Company applies lifetime expected credit loss model for measurement of trade receivables.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Ageing schedule of trade receivables as at 31 March 2024 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	84.71	19.08	4.50	1.56	-	-	**109.85**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	2.75	0.71	0.18	0.37	0.77	1.00	**5.78**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	0.12	**0.12**
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	**-**
	Gross trade receivables	**87.46**	**19.79**	**4.68**	**1.93**	**0.77**	**1.12**	**115.75**
	Less: Allowance for expected credit loss	2.75	0.71	0.18	0.37	0.77	1.12	**5.90**
	Total	**84.71**	**19.08**	**4.50**	**1.56**	**-**	**-**	**109.85**

Ageing schedule of trade receivables as at 31 March 2023 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	85.70	18.72	1.95	1.15	-	-	**107.52**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	2.64	0.34	0.53	0.30	1.11	2.32	**7.24**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivables- credit impaired	-	-	0.11	0.23	-	0.12	**0.46**
	Gross trade receivables	**88.34**	**19.06**	**2.59**	**1.68**	**1.11**	**2.44**	**115.22**
	Less: Allowance for expected credit loss	2.64	0.34	0.64	0.53	1.11	2.44	**7.70**
	Total	**85.70**	**18.72**	**1.95**	**1.15**	**-**	**-**	**107.52**

16.1 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks in current accounts	12.30	21.16
Cash on hand	0.00	0.00
Balance in deposits with original maturity of less than 3 months	38.00	-
Total	**50.30**	**21.16**

There are no repatriation restrictions with regard to cash and cash equivalents as at the reporting year and the previous year.

16.2 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with bank held as margin money	0.00	0.00
Deposits with original maturity of more than 3 months but less than 12 months	5.83	2.21
Total	**5.83**	**2.21**

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

17 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
Security deposits	1.18	0.85
Other receivables	1.05	1.14
Interest accrued on term deposits	0.96	2.63
Advance to employees	0.05	0.10
Balance in deposits with remaining maturity of less than 12 months	46.81	82.93
Total	**50.05**	**87.65**

18 Current tax assets

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets	-	1.00
Total	**-**	**1.00**

19 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to suppliers	4.30	3.71
Advance to employees	0.95	0.51
Prepaid expenses	1.05	1.11
Balance with government authorities	6.09	5.72
Total	**12.39**	**11.05**

20 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
100,000,000 (31 March 2023: 100,000,000) equity shares of Rs. 2/- each	20.00	20.00
Issued, subscribed and fully paid up		
8,37,11,178 (31 March 2023: 72,216,926) equity shares of Rs. 2/- each	16.74	14.44
Share forfeiture account	0.00	0.00
Total	**16.74**	**14.44**

Notes:

(i) **Reconciliation of number of shares and share capital outstanding at the beginning and end of the year -**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning	7,22,16,926	14.44	7,22,16,926	14.44
Add: Preferential allotment (refer note (iii) below)	1,14,94,252	2.30	-	-
Balance at the end	**8,37,11,178**	**16.74**	**7,22,16,926**	**14.44**

(ii) **Terms/rights attached to equity 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.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

(iii) During the year, on 11 October 2023, the Company has made preferential allotment of 11,494,252 equity shares of face value Rs. 2 each at the price of Rs. 130.50 per share (including premium of Rs. 128.50 per share) aggregating to Rs. 150.00 crores [equity share capital Rs. 2.30 crores and securities premium Rs. 147.70 crores (refer note 21)] to JSL Limited, Hella Infra Market Private Limited and Virtuous Tradecorp Private Limited pursuant to members approval at an extra-ordinary general meeting held on 31 March 2022. The objective to raise additional funds was to strengthen the Company's Balance Sheet, and have access to long-term resources to meet the Company's growth requirements and for general corporate purposes. Funds amounting to Rs. 97.50 crores and Rs. 1.42 crores have been utilised for repayment of working capital facilities of various banks and term loan of IDFC Bank Limited respectively. Balance funds are invested in fixed deposits and cash and cash equivalents amounting to Rs. 46.35 crores and 4.63 crores respectively.

(iv) **Details of shareholders holding more than 5% shares in the Company***

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Virtuous Tradecorp Private Limited	1,12,07,573	13.39%	1,33,54,462	18.49%
Mrs. Veera Gupta	22,74,658	2.72%	46,82,952	6.48%
Hella Infra Market Private Limited	4,42,42,921	52.85%	1,80,45,745	24.99%

Hella Infra Market Private Limited has become holding Company during the current financial year.

*As per the records of the Company, including its register of members.

(v) **Details of shares held by promoters at the end of the year**

	Promoter Name	As at 31 March 2024			As at 31 March 2023		
		No. of shares	% of shares held	% Change during the year	No. of shares	% of shares held	% Change during the year
1	Hella Infra Market Private Limited *	4,42,42,921	52.85%	27.86%	1,80,45,745	24.99%	0.09%
2	Hina Devi Goyal	60	0.00%	-0.07%	50,000	0.07%	0.00%
3	Kusum Mittal	-	0.00%	-0.07%	50,000	0.07%	0.00%
4	Sminu Jindal	12,468	0.01%	0.00%	12,468	0.02%	0.00%
5	Sarita Devi Jain	-	0.00%	-0.03%	20,000	0.03%	0.00%
6	Sangita Jindal	31,000	0.04%	-0.01%	31,000	0.04%	0.00%
7	Deepika Jindal	89,062	0.11%	-0.02%	89,062	0.12%	0.00%
8	Savitri Devi Jindal	36,515	0.04%	-0.01%	36,515	0.05%	0.00%
9	Hind Strategic Investments	-	0.00%	0.00%	-	0.00%	0.00%
10	Urvi Jindal	1,65,545	0.20%	-0.03%	1,65,545	0.23%	0.00%
11	Arti Jindal	10	0.00%	-0.12%	85,500	0.12%	0.12%
12	R K Jindal & Sons HUF	30,750	0.04%	-0.01%	30,750	0.04%	0.00%
13	P R Jindal HUF	14,606	0.02%	0.00%	14,606	0.02%	0.00%
14	S K Jindal & Sons HUF	12,300	0.01%	0.00%	12,300	0.02%	0.00%
15	Naveen Jindal & Sons HUF	36,515	0.04%	-0.01%	36,515	0.05%	0.00%
16	Prithavi Raj Jindal	-	0.00%	0.00%	-	0.00%	-0.12%
17	Sarika Jhunjhnuwala	-	0.00%	-3.80%	27,43,141	3.80%	0.00%
18	Shivang Jhunjhnuwala	-	0.00%	-1.83%	13,20,723	1.83%	0.00%
19	Surya Kumar Jhunjhnuwala	-	0.00%	-1.28%	9,23,286	1.28%	0.00%
20	Ritu Jhunjhnuwala	-	0.00%	-1.93%	13,94,289	1.93%	0.00%
21	Gaurang Surya Jhunjhnuwala	-	0.00%	-1.93%	13,94,289	1.93%	0.00%
22	Ratan Jindal	-	0.00%	0.00%	-	0.00%	0.00%
23	OPJ Trading Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
24	Nalwa Investments Limited	2,70,569	0.32%	-0.05%	2,70,569	0.37%	0.00%
25	Mansarover Tradex Limited	52,500	0.06%	-0.01%	52,500	0.07%	0.00%

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Promoter Name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of shares held	% Change during the year	No. of shares	% of shares held	% Change during the year
26 Stainless Investments Limited	82,500	0.10%	-0.02%	82,500	0.11%	0.00%
27 Sun Investments Private Limited	82,500	0.10%	-0.02%	82,500	0.11%	0.00%
28 Jindal Equipment Leasing and Consultancy Services Limited	1,02,500	0.12%	-0.02%	1,02,500	0.14%	0.00%
29 Colorado Trading Co. Pvt. Ltd.	12,24,635	1.46%	-0.23%	12,24,635	1.70%	0.00%
30 Hexa Securities and Finance Co. Ltd.	15,00,000	1.79%	-0.29%	15,00,000	2.08%	0.00%
31 Abhinandan Tradex Limited	55,000	0.07%	-0.01%	55,000	0.08%	0.00%
32 Gagan Infraenergy Limited	500	0.00%	0.00%	500	0.00%	0.00%
33 Nalwa Sons Investments Limited	13,72,590	1.64%	-0.26%	13,72,590	1.90%	0.00%
34 Opelina Sustainable Services Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
35 Virtuous Tradecorp Private Limited	1,12,07,573	13.39%	-5.10%	1,33,54,462	18.49%	0.00%
36 JSL Limited	26,81,992	3.20%	-0.01%	23,21,983	3.22%	0.00%
37 Systran Multiventures Private Limited	100	0.00%	0.00%	100	0.00%	0.00%
38 PRJ Family Management Company Private Limited (as trustee of PRJ Holdings Private Trust)	85490	0.10%	0.10%	0	0.00%	0.00%

*Pursuant to the completion of open offer by Hella Infra Market Private Limited ("Hella Infra") to the eligible shareholders of Shalimar Paints Limited (the "Company"), Hella Infra has become one of the promoters of the Company w.e.f. 11 March 2024.

**The above list of promoters is as per Section 2(69) of the Act.

(vi) For the period of five years immediately preceeding the date as at which the Balance Sheet is prepared, the Company has not issued any shares without payment being received in cash or issued as fully paid up by way of bonus shares. Further, there has been no buy back of shares during the aforesaid period.

21 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium	611.60	463.90
Share options outstanding account	1.91	-
General reserve	40.62	40.62
Retained earnings	(404.48)	(330.79)
Revaluation reserve	108.71	108.71
Capital reserve	2.25	-
Equity portion of optionally convertible debentures (OCD)	-	2.25
Money received against share warrants	-	37.50
Total	**360.62**	**322.19**

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Balance at the beginning of the year	463.90	463.90
Add: Premium received on issue of equity shares	147.70	-
Balance at the end of the year	**611.60**	**463.90**

Notes to the Standalone Financial Statements for the year ended 31 March 2024
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Particulars	As at 31 March 2024	As at 31 March 2023
Share options outstanding account		
Balance at the beginning of the year	-	0.05
Add: Employee stock option expense	1.91	-
Less: Employee stock option expense reversal	-	0.05
Balance at the end of the year	**1.91**	**-**
General reserve		
Balance at the beginning and at the end of the year	**40.62**	**40.62**
Retained earnings		
Balance at the beginning of the year	(330.79)	(295.14)
Add: Loss for the year	(73.75)	(36.10)
Add: Other comprehensive income for the year		
Remeasurement gain on defined benefit plans	0.06	0.45
Balance at the end of the year	**(404.48)**	**(330.79)**
Revaluation reserve		
Balance at the beginning and at the end of the year	**108.71**	**108.71**
Equity portion of optionally convertible debentures		
Balance at the beginning of the year	2.25	2.25
Less: Transfer of equity portion to capital reserve on repayment	2.25	-
Balance at the end of the year	**-**	**2.25**
Capital reserve		
Balance at the beginning of the year	-	-
Add: Transfer of equity portion of OCD on repayment	2.25	-
Balance at the end of the year	**2.25**	**-**
Money received against share warrants		
Balance at the beginning of the year	37.50	-
Add: Addition during the year	-	37.50
Less: Transfer of money received against share warrants on issue of equity shares	37.50	
Balance at the end of the year	**-**	**37.50**
Total	**360.62**	**322.19**

i. Securities premium

The above reserve is used to record the premium on issue of shares. The reserve is utiilised in accordance with the provisions of the Act.

ii. Share options outstanding account

The above reserve relates to the share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 51.

iii. General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

iv. Retained earnings

Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

v. Revaluation reserve

Revaluation reserve is on account of revaluation of land at various locations and other assets at the time of Ind AS transition.

vi. Equity portion of optionally convertible debentures and capital reserve

During the year ended 31 March 2022, as per debenture subscription agreement dated 18 January 2022, the Company had issued 3,055,556 unlisted, unsecured optionally convertible debentures of the face value of Rs. 180 each aggregating to Rs. 55.00 crores

by way of preferential allotment on private placement basis. The said debentures were carrying interest @ 9% p.a. (payable quarterly) and were optionally convertible into 3,055,556 equity shares at the discretion of debenture holder if the closing listed price of equity shares breaches the issue price of debenture on or before 23 August 2023. During the year, the equity portion of the debentures, earlier recognised, has been transferred to capital reserve on repayment on 22 August 2023.

vii. Money received against share warrants

Money received against share warrants is the amount received by the Company which is converted into shares at a specified rate. These warrants are carrying a right to subscribe one equity share per warrant. The price of the warrants have been determined in accordance with the ICDR Regulations.

22 Non-current borrowings at amortised cost

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Term loans :		
- from banks	31.74	28.59
- from others (vehicle loan)	0.68	0.46
Unsecured		
- Optionally convertible debentures from related party (refer note 50)	-	54.33
	32.42	**83.38**
Less: Current maturities of long - term borrowings (refer note 26)	12.04	68.76
Total	**20.38**	**14.62**

Notes:

a) During the previous year, as per debenture subscription agreement dated 18 January 2022, the Company had issued 3,055,556 unlisted, unsecured optionally convertible debentures of the face value of Rs. 180 each aggregating to Rs. 55.00 crores by way of preferential allotment on private placement basis. The said debentures were carrying interest @ 9% p.a. (payable quarterly) and were optionally convertible into 3,055,556 equity shares at the discretion of debenture holder on or before 23 August 2023 when the closing listed price of shares breaches the issue price of debenture. Such debentures have been repaid on 22 August 2023.

b) There is no default in repayments of principal borrowings or interest thereon.

c) The term loans have been used for the specific purpose for which they are availed.

Term loans from banks

Particular of Loan	As at 31 March 2024	As at 31 March 2023	Rate of interest %	Installments starting on	Installments ending on	Repayment mode	No. of installments
Term loan from Union Bank of India Limited. (UBI)	0.45	0.95	MCLR +0.60% p.a	28-Feb-2022	31-Jan-2025	Monthly	48
Union Guaranteed Emergency Credit Line (UGECL-2) scheme from Union Bank of India Limited. (UBI-GECL 2)	1.83	2.51	MCLR +0.60% or 9.25% whichever is lower p.a	31-Jul-2022	30-Jun-2025	Monthly	48
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from Punjab National Bank Limited. (PNB)	1.13	1.70	MCLR +1.00% p.a	30-Apr-2022	31-Mar-2026	Monthly	48
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from State Bank of India Limited. (SBI)	3.65	6.09	MCLR +1.00% p.a	30-Apr-2022	30-Sep-2025	Monthly	48

Particular of Loan	As at 31 March 2024	As at 31 March 2023	Rate of interest %	Installments starting on	Installments ending on	Repayment mode	No. of installments
Term loan from IDFC First Bank Limited**#	7.47	17.34	13.05% (31 March 2023 -12.01% to 13.05%) p.a	14-Mar-2022	14-Dec-2024	Quarterly	12
Term loan from IDFC First Bank Limited@	17.21	-	11.05% (31 March 2023 - Nil) p.a	17-Apr-2026	16-Jan-2029	Quarterly	12

These loans are secured by:

(1) Primary Security (UBI,PNB,SBI, UBI-GECL 2)

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

(2) Collateral Security (UBI,PNB,SBI)

(i) first charge, by way of hypothecation of plant and machinery & movable assets at the Company's factory situated at Howrah, West Bengal;

(ii) first charge, by way of equitable mortgage of land and building, and hypothecation of plant & machinery, other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra;

(iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandrabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets & land and building of the Company situated at village -Chinnapuliyur, Taluka- Gummidipoondi, District- Tiruvallur, Tamil Nadu.

(3) Collateral Security (UBI-GECL 2)

(i) 2nd charge on the immovable properties of the Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

(ii) 2nd charge on entire movable fixed assets of the Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

**1st pari passu charge on movable fixed assets of the Company and exclusive charge on commercial land owned by Shalimar Adhunik Nirman Limited (subsidiary company) in Gurugram and commercial office of Company in Mumbai.

***Exclusive charge on commercial land owned by Shalimar Adhunik Nirman Limited (subsidiary company) in Gurugram, commercial office of Company in Mumbai, and assets created out of this term loan; subservient charge on current assets and movable fixed assets; DSRA equivalent to one quarter's princpal and interest payment; and corporate guarantee of Shalimar Adhunik Nirman Limited.

In December 2021, the Company has raised term loan amounting to Rs. 30.00 crores from IDFC First Bank Limited. Interest on the said loan is payable quarterly @ 13.05% (31 March 2023: 12.01% to 13.05%) p.a.

@ In December 2023, the Company has raised term loan amounting to Rs. 17.46 crores, with sanction limit amounting to Rs. 35.00 crores from IDFC First Bank Limited. Interest on the said loan was payable monthly @ 11.05% p.a.

Vehicle loans#

Particular of Loan	As at 31 March 2024	As at 31 March 2023	Rate of interest %	Installments starting on	Installments ending on	Repayment mode	No. of installments
Vehicle loan from Toyota Financial Service India Limited	-	0.07	9.50% p.a	20-Feb-2019	20-Jan-2024	Monthly	60
Vehicle loan from Toyota Financial Service India Limited	0.02	0.04	8.90% p.a	10-Feb-2020	10-Jan-2025	Monthly	60
Vehicle loan from Tata Motors Finance Limited	0.22	0.35	10.04% p.a to 10.90% p.a	11-Nov-2020	11-Sep-2025	Monthly	59
Vehicle loan from Tata Motors Finance Solution Limited	0.44	-	10.05% p.a	15-Jun-2023	15-Apr-2026	Monthly	35

Secured by vehicle financed.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

23 Non-current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 46)	1.49	0.35
Total	**1.49**	**0.35**

24 Other non-current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	0.22	0.10
Total	**0.22**	**0.10**

25 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Defined benefit liability (net) (refer note 45)	7.72	5.65
Other long term employee obligations (refer note 45)	0.82	0.37
Total	**8.54**	**6.02**

26 Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Loans repayable on demand		
- From banks (cash credit and working capital demand loan)	59.48	18.19
Current maturities of long-term debt (refer note 22)	12.04	68.76
Unsecured		
Loans repayable on due basis		
- Bill discounting*	11.30	37.32
Total	**82.82**	**124.27**

*The Company has availed letter of credit facility from State Bank of India Limited and Punjab National Bank Limited for payment to its vendors, against which the monies were yet to be paid by the banks as at 31 March 2024 and 31 March 2023. As at 31 March 2023, the Company had also availed the facility of supplier financing arrangement from other banks for payment to its vendors. The Company derecognizes the payables from its books and a corresponding liability towards the banks is recognised in respect of aforementioned amounts payable by the Company to the banks. Amount of facilities availed as at 31 March 2024 and 31 March 2023 are:

Particulars	As at 31 March 2024	As at 31 March 2023
State Bank of India Limited	6.40	9.01
Punjab National Bank Limited	4.90	4.51
Axis Bank Limited	-	4.21
IDFC Bank Limited	-	8.33
Kotak Bank Limited	-	11.26

Cash credit and working capital demand loans from banks

Particular of Loan	Rate of interest	As at 31 March 2024	As at 31 March 2023
Working capital facilties	Ranges from 10.90% p.a. to 13.35% p.a.	31.04	8.32
Bank overdrafts	Ranges from 6.60% p.a. to 7.20% p.a.	28.44	9.87

Particular of Loan	Rate of interest	As at 31 March 2024	As at 31 March 2023
State Bank of India Limited	6 Month MCLR +2.75% p.a	10.18	3.36
Punjab National Bank Limited	1 year MCLR + 4.50%	10.66	4.96
HDFC Bank Limited	1 year MCLR + spreads	10.20	-
Union Bank of India Limited	1 year MCLR + 4.30%	28.44	9.87

These loans are secured by:

(1) Primary security

Hypothecation charge on entire current assets of the Company on pari-passu basis with other banks under consortium banking arrangements.

(2) Collateral security:

(i) Pari passu first hypothecation charge on factory land and building of the Company with other consortium members, situated at the Company's factory at Gate No.121 (1850 sq mt), 126 (3300 sq mt), 127 (16500 sq mt), 132 (4500 sq mt), 133 (20500 sq mt), 134 (8000 sq mt) & 141 (7550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Company. (Total Land area: 62200 sq.mt)

(ii) Pari passu first charge with other consortium member banks over plant & machinery at the Nashik Plant.

(iii) Pari passu first hypothecation charge with consortium on the plant and machinery of the Company at Howrah factory.

(iv) Pari passu second hypothecation charge with consortium members on the entire fixed assets and land and building at Survey Nos.1A1B (3.49 acres), 3/2 (3.32 acres), 3/1(1.50 acres), 15/1A(0.28 acre), 15/1B (0.16 acre), 15/1C (0.14 acre), No.19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu, Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), Admeasuring Total Area: 8.89 Acres.

(v) Pari passu second hypothecation charge with the consortium members on the entire fixed assets at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandrabad Admeasuring: 41,242 sq mt land.

27 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 46)	1.19	0.83
Total	**1.19**	**0.83**

28 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues to micro enterprises and small enterprises*	11.77	10.11
Total outstanding dues to trade payables other than micro and small enterprises	122.97	89.89
Total	**134.74**	**100.00**

Notes:

*Includes interest payable to Micro, Small and Medium Enterprises (MSME) amounting to Rs. 2.64 crores (31 March 2023: Rs. 1.23 crores).

(i) For balance payable to related parties, (Refer note 50).

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Ageing of trade payables as at 31 March 2024 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	7.22	4.40	0.01	-	0.14	**11.77**
(ii)	Total outstanding dues to trade payables other than micro and small enterprises	33.55	59.86	27.68	0.48	0.12	1.28	**122.97**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	Total	**33.55**	**67.08**	**32.08**	**0.49**	**0.12**	**1.42**	**134.74**

Ageing of trade payables as at 31 March 2023 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	4.72	5.39	-	-	-	**10.11**
(ii)	Total outstanding dues to trade payables other than micro and small enterprises	16.07	34.81	35.50	0.22	0.31	2.98	**89.89**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	Total	**16.07**	**39.53**	**40.89**	**0.22**	**0.31**	**2.98**	**100.00**

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	11.77	10.11
Interest due on above remaining unpaid to any supplier as as at the end of each accounting year	1.12	0.11
Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year*	70.97	43.51
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act**	0.29	0.42
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.64	1.23
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a (deductible expenditure under section 23 of MSMED Act, 2006).	2.64	1.23

Note:

* Includes principal amounting to Rs.70.97 crores (31 March 2023: Rs. 43.51 crores).

**During the previous year, the Company had reversed MSME interest amounting to Rs. 1.94 crores.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

29 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due	0.01	0.00
Payable for capital expenditure	1.03	0.31
Employee related payables	7.03	5.14
Other payables*	1.76	1.37
Total	**9.83**	**6.82**

*Other payables includes retention money and stale cheques.

30 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract balances		
Advances from customers	2.25	1.17
Statutory dues	4.07	3.55
Total	**6.32**	**4.72**

31 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit liability (net) (refer note 45)	0.21	2.51
Other long term employee obligations (refer note 45)	0.37	0.91
Other provisions*	7.75	7.46
Total	**8.33**	**10.88**

*The Company has created provision in relation to eviction matter, excise duty, DGFT and other ongoing legal matters aggregating to Rs. 7.75 crores (31 March 2023: Rs. 7.46 crores).

Movement in other provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	7.46	7.43
Provision made during the year	0.29	0.03
Provision utilised during the year	-	-
Balance as at the year end	**7.75**	**7.46**

32 Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	527.78	478.07
Rendering of services	2.80	3.88
Total (A)	**530.58**	**481.95**
Other operating revenues		
Scrap sale	4.25	1.78
Export incentive	0.08	0.08
Total (B)	**4.33**	**1.86**
Total operating income (A+B)	**534.91**	**483.81**

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by timing and geography of recognition.

Revenue by time:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised at point in time	527.78	478.07
Revenue recognised over time	2.80	3.88
	530.58	**481.95**

Revenue by geographical market:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from customers		
India	517.64	469.47
Outside India	12.94	12.48
	530.58	**481.95**

(b) Changes in contract liabilities balances during the year are as follows:

Ind AS 115, 'Revenue from contracts with customers' also requires disclosure of revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year. Same has been disclosed as below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year	1.17	2.20

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is recognised as revenue at a point of time. Significant changes in the contract liabilities balance during the year as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	**1.17**	**2.20**
Addition during the year	2.25	1.17
Revenue recognised during the year	(1.17)	(2.20)
Closing balance	**2.25**	**1.17**

(c) Contract balances

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Advance from customers	2.25	1.17
	2.25	**1.17**

(d) Reconciliation of revenue recognised in statement of profit and loss with contract price

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract price	619.53	540.32
Less: Discount	(91.75)	(62.25)
	527.78	**478.07**

(e) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

Revenue of Rs. 64.76 crores (31 March 2023: Rs. 50.46 crores) is derived from one customer, who individually accounted for more than ten percent of total revenue.

33 Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on items at amortised cost		
Fixed deposit with banks carried at amortised cost	5.73	4.95
On investments in subsidiary company at amortised cost	0.05	0.03
Others	0.57	0.13
Other non-operating income on items at amortised cost		
Net gain on foreign curency transactions and translation	0.17	0.11
Profit on disposal of property, plant and equipment	1.35	-
Miscellaneous receipts	0.30	1.99
Total	**8.17**	**7.21**

34 Cost of materials consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cost of materials consumed	362.77	345.56
Total	**362.77**	**345.56**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the beginning of the year	36.39	33.45
Add: Purchases during the year	359.74	348.50
	396.13	**381.95**
Less: Inventories at the end of the year	33.36	36.39
Total	**362.77**	**345.56**

35 Purchases of stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock-in-trade	30.80	24.48
Total	**30.80**	**24.48**

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

36 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year		
Work-in-progress	7.82	5.81
Finished goods*	72.13	68.33
Total (A)	**79.95**	**74.14**
Inventories at the beginning of the year		
Work-in-progress	5.81	4.96
Finished goods*	68.33	55.74
Total (B)	**74.14**	**60.70**
Increase in inventory (B-A)	**(5.81)**	**(13.44)**

*Finished goods includes stock-in-trade.

37 Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus*	70.62	48.98
Contribution to provident and other funds	5.20	4.00
Staff welfare expenses	1.29	0.89
Total	**77.11**	**53.87**

* This includes employee stock option expense of Rs. 1.91 crores (31 March 2023: Rs. (0.05) crores) (refer note 51).

38 Finance cost

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on items at amortised cost		
-On cash credit and working capital demand loan	7.23	8.31
-On term loan	2.86	4.16
Other borrowing costs	2.68	3.24
Interest on lease liabilities	0.19	0.19
Total	**12.96**	**15.90**

39 Depreciation, amortisation and impairment expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation and impairment on property, plant and equipment	12.64	10.62
Depreciation on right-of-use assets	1.35	1.25
Amortisation on intangible assets	0.83	0.82
Total	**14.82**	**12.69**

40 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	1.96	2.21
Power and fuel	7.47	6.05
Rent (refer note 46)	4.91	3.23
Repairs to building	0.22	0.12
Repairs to plant and machinery	3.25	2.50
Repairs - others	1.29	1.35
Insurance	2.53	1.73
Rates and taxes	1.81	2.90
Printing and stationery	0.55	0.36
Communication expenses	1.07	0.70
Payment to auditors (refer table A below)	0.48	0.28
Warehouse management charges	0.36	0.30
Travelling expenses	11.12	7.91
Application charges	3.60	3.87
Freight	41.66	28.23
Loss on disposal of property, plant and equipment	-	0.01
Marketing expenses	12.05	4.23
Contractual labour charges	19.17	12.91
Carrying and forwarding agent	1.40	1.03
Legal and professional charges	4.20	3.68
Recruitment expenses	0.94	0.78
Other welfare expenses	1.54	1.16
Miscellaneous expenses	2.60	2.52
Total	**124.18**	**88.06**

Table A		
Payment to statutory auditors		
Statutory audit fee	0.42	0.26
Certification fee and other services	0.01	-
Reimbursement of expenses	0.05	0.02
Total	**0.48**	**0.28**

41 Deferred tax

Particulars	As at 31 March 2024	As at 31 March 2023
A Income tax recognised in the Statement of Profit and Loss		
Current tax	-	-
Adjustment of tax relating to earlier years	-	-
Deferred tax (credit)/charge	-	-
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	-	-

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

B Reconciliation of tax expense between accounting profit at applicable tax rate and effecive tax rate:

Particulars	As at 31 March 2024	As at 31 March 2023
Accounting profit before income tax	**(73.75)**	**(36.10)**
Tax expense at statutory income tax rate of 26.00% (31 March 2023: 26.00%)	(19.18)	(9.39)
Non-deductible expenses	0.38	0.05
Unrecognised deferred tax asset on tax losses and unabsorbed depreciation*	18.80	9.34
Income tax expense reported in the Standalone Statement of Profit and Loss	-	-

*As at 31 March 2024 and 31 March 2023, the Company is having significant carry forward losses and unabsorbed depreciation under tax laws. Therefore, in the absence of convincing evidences that sufficient taxable profits will be available against which such carry forward losses and unabsorbed depreciation shall be utilised, the Company has not recognised deferred tax assets.

C Deductible temporary differences for which no deferred tax asset is recognised in the Standalone Balance Sheet:

Particulars	Year of expiry	As at 31 March 2024	As at 31 March 2024 Tax impact @ 26.00%	As at 31 March 2023	As at 31 March 2023 Tax impact @ 26.00%
Tax Losses	31-Mar-23	-	-	1.78	0.46
	31-Mar-25	5.25	1.37	5.25	1.37
	31-Mar-26	46.12	11.99	46.12	11.99
	31-Mar-27	71.92	18.70	71.92	18.70
	31-Mar-28	18.11	4.71	18.11	4.71
	31-Mar-29	17.63	4.58	17.63	4.58
	31-Mar-30	53.60	13.94	53.60	13.94
	31-Mar-31	30.86	8.02	-	-
Total tax losses		**243.49**	**63.31**	**214.41**	**55.75**
Unabsorbed depreciation	No expiryperiod	79.60	20.69	69.18	17.98
Total		**323.09**	**84.00**	**283.59**	**73.73**

42 Other comprehensive income (OCI)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement of the defined benefit plans	0.06	0.45
Tax impact on re-measurement gain on defined benefit plans	-	-
Total	**0.06**	**0.45**

43 Earnings per share (EPS)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Net loss attributable for equity shareholders	(73.75)	(36.10)
(b) Weighted average number of equity shares outstanding during the year for calculating basic EPS (nos.)	7,75,87,191	7,22,16,926
(c) Effect of potential dilutive equity shares on employee stock option outstanding (nos.)*	-	-
(d) Weighted average number of Equity shares outstanding during the year for calculating diluted EPS (nos.)	7,75,87,191	7,22,16,926
Face value per equity share (Rs.)	2	2
Basic earnings per share (Rs.)	(9.51)	(5.00)
Diluted earnings per share (Rs.)	(9.51)	(5.00)

*Potential equity shares have not been considered for the computation of diluted EPS as they are anti-dilutive in nature.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

44 A. Contingent liabilities and claims against the Company

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities, to the extent not provided for in respect of:		
a. Undertakings and letter of credit		
Letter of credit	16.16	11.09
b. Demands		
Excise duty	-	3.34
Sales tax	1.33	6.14
Goods and service tax	0.77	0.84
Income tax*	5.04	5.04
Other legal matters#	12.81	17.33

* It includes an order u/s 263 of the Income Tax Act, 1961, received by the Company during financial year (FY) 2021-22 from the Deputy Commissioner of Income Tax for the AY 2015-16, disallowing provision for freight of Rs. 2.58 crores, thereby decreasing returned loss. However, there will be no additional demand on account of this addition of income as the Company has sufficient carry forward losses to adjust it. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the order.

It includes exposure towards litigation/disputes relating to various labour cases, eviction matters, money recovery cases etc.

(i) The Company has reviewed all its pending litigations and proceedings and has adequately considered provision made and disclosed as contingent liabilities as applicable, in these standalone financial statements. The management believes that with respect to litigation disclosed as contingent liability will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

B. Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances of Rs. 9.21 crores (31 March 2023 Rs. 1.05 crores)	74.41	9.72
(ii) Uncalled liability on partly paid-up shares for investment in Shalimar Adhunik Nirman Limited*	0.41	0.41
(iii) Guarantees issued by the Company's bankers on behalf of the Company in favour of its vendors	7.32	8.66

*Uncalled liability is pertaining to the equity shares which were acquired by the Company as per the order of Hon'ble High Courts of Calcutta and Delhi under the Scheme of arrangement under Section 391-394 of the Companies Act, 1956 between Shalimar Paints Limited and Shalimar Adhunik Nirman Private Limited and their respective shareholders and creditors, for transfer of its Real Estate Division to the subsidiary company, Shalimar Adhunik Nirman Limited. These equity shares are partly paid up @ Re.1 per share received on account of share appplication and share allotment. Balance Rs. 9 per share on 4,50,000 such equity shares is unpaid till date.

45 Defined benefit plan and long term employment benefits

a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under:Employer's contribution to provident and other funds Rs. 2.95 crores (31 March 2023: Rs. 2.11 crores) (refer note 37)

b) Defined benefit plan (Gratuity)

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on retirement/leaving the organisation at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. Actuarial gains or losses are recognised in other comprehensive income.

c) Other benefits (Compensated absences)

The employees of the Company are entitled to leaves as per the leave policy of the Company. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation. The expense related to compensated absences are recognised in standalone statement of profit and loss as employee benefits expense.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet:

Particulars		As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Change in present value of obligation during the year**				
	Present value of obligation at the beginning of the year	8.19	1.29	9.23	1.15
	Current service cost	1.26	0.45	0.89	0.20
	Interest cost	0.60	0.09	0.67	0.08
	Actuarial (gain)/loss on obligation	(0.06)	(0.15)	(0.45)	0.05
	Benefits paid	(2.02)	(0.49)	(2.15)	(0.20)
	Present value of obligation as at the end of the year	**7.97**	**1.19**	**8.19**	**1.28**
II	**Change in fair value of plan assets during the year**				
	Plan assets at the beginning of the year, at fair value	0.03	-	0.03	-
	Actual return on plan assets	0.00	-	0.00	-
	Fund charges	(0.00)	-	(0.00)	-
	Employer's contribution	0.01	-	0.01	-
	Benefits paid	-	-	(0.01)	-
	Plan assets at the end of the year, at fair value	**0.04**	**-**	**0.03**	**-**
III	**Reconciliation of present value of defined benefit obligation and fair value of plan assets**				
1	Present value of obligation as at year-end	7.97	1.19	8.19	1.28
2	Fair value of plan assets at year -end	(0.04)	-	(0.03)	-
3	**Net liability recognised in Balance Sheet**	**7.93**	**1.19**	**8.16**	**1.28**
IV	**Amount to be recognised in the Statement of Profit and Loss**				
1	Current service cost	1.26	0.45	0.89	0.20
2	Interest cost	0.60	0.09	0.67	0.08
3	Expected return on plan assets	-	-	-	-
4	Actuarial loss	-	(0.15)	-	0.05
	Net cost recognised	**1.86**	**0.39**	**1.56**	**0.33**

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
		Gratuity	Gratuity
V	**Amount recognised in Other Comprehensive Income**		
	Actuarial loss/(gain) arising from changes in financial assumptions	0.08	(0.09)
	Actuarial gain arising from experience adjustment	(0.14)	(0.36)
	Net actuarial gain	**(0.06)**	**(0.45)**

	Particulars	As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI	**Division of DBO at the end of the year**				
1	Current liability	0.21	0.37	2.51	0.91
2	Non-current liability	7.72	0.82	5.65	0.37

	Particulars	As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VII	**Actuarial assumptions**				
1	Discount rate	7.23%	7.23%	7.38%	7.38%
2	Mortality table	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)
3	Salary escalation*	9.00%	9.00%	9.00%	9.00%
4	Withdrawal rate	2%	2%	2%	2%
5	Rate of leave availment	-	3%	-	4%
6	Retirement age (years)	60	60	60	60
7	Rate of return on plan assets	7.23%	-	7.38%	-

*The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

Note: Weighted average duration (in years) for gratuity and leave encashment is 15.33 (31 March 2023: 14.50)

VIII	Sensitivity analysis*		As at 31 March 2024		As at 31 March 2023	
			Impact on liabilities		Impact on liabilities	
	Assumption	Changes in assumption	Increase	Decrease	Increase	Decrease
	Gratuity					
	Discount rate	+/- 50 basis points movement	(0.31)	0.33	(0.45)	0.51
	Withdrawal rate	+/- 50.00% movement	0.32	(0.30)	0.18	(0.21)
	Future salary growth	+/- 0.50% movement	0.19	(0.22)	0.53	(0.47)
	Mortality rate	+/- 10.00% movement	0.04	(0.05)	0.04	(0.05)
	Leave encashment					
	Discount rate	+/- 50 basis points movement	(0.05)	0.06	(0.49)	0.56
	Withdrawal rate	+/- 50.00% movement	0.06	(0.05)	0.20	(0.23)
	Future salary growth	+/- 0.50% movement	0.19	(0.21)	0.59	(0.52)
	Mortality rate	+/- 10.00% movement	0.04	(0.05)	0.05	(0.05)

*The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

IX Description of risk exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks as follows -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determined the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The plan exposes the Company to the risk of decrease in interest rates. A decrease in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk - This is the risk that the Company is not able to meet the short term benefit payout. This may arise due to non-availability of enough cash and cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

E) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit. The plan asset investments is in fixed income securities of Life Insurance Corporation of India.

X The following are maturity profile of defined benefit obligations (discounted) in future years (before adjusting fair value of plan assets):

Years	Gratuity	
	31 March 2024	31 March 2023
0 to 1 year	1.19	2.51
1 to 2 years	0.61	0.38
2 to 3 years	0.56	0.38
3 to 4 years	0.35	0.45
4 to 5 years	0.43	0.27
5 to 6 years	0.44	0.37
6 years onwards	4.39	3.83

XI Expected contribution for the next annual reporting period

Particulars	Gratuity		Leave Encashment	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Service cost	1.63	1.17	0.76	0.44
Net interest cost	0.57	0.60	0.09	0.09
Expected expense for the next annual reporting period	**2.20**	**1.77**	**0.85**	**0.53**

*Expected contribution to the plan assets is Nil (31 March 2023: Nil).

46 Lease related disclosures as lessee

The Company's lease asset class primarily consists of leases for land, corporate office and warehouses. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate ranging 9.73-12.16% (31 March 2023: 10.70%-12.16%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

(i) Lease liabilities are presented in the Balance Sheet as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Current	1.19	0.83
Non-current	1.49	0.35
Total	**2.68**	**1.18**

(ii) The following are amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense of right-of-use assets (refer note 39)	1.35	1.25
Interest expense on lease liabilities (refer note 38)	0.19	0.19
Rent expense* (refer note 40)	4.91	3.23
Total	**6.45**	**4.67**

*Rent expense for short-term leases and not included in the measurement of lease liability.

(iii) The right-of-use assets relating to leases of land and buildings are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	16.68	17.67
Add: Addition on account of new leases entered during the year	2.84	0.68
Less: Adjustment due to modification in leases	0.25	0.42
Less: Depreciation expenses charged on right-of-use assets	1.35	1.25
Balance at the end of the year	**17.92**	**16.68**

(iv) Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the standalone financial statements.

The expense relating to payments not included in the measurement of the lease liability for short term leases is Rs. 4.91 crores (31 March 2023: Rs. 3.23 crores).

Total cash outflow for principal element of lease liabilities for the year ended 31 March 2023 was Rs. 1.23 crores (31 March 2023: Rs.1.17 crores).

(v) Maturity of lease liabilities

Future minimum lease payments for year ended 31 March 2024 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	1.41	0.22	1.19
Later than 1 year not later than 5 years	1.61	0.12	1.49
Later than 5 years	-	-	-
Total	**3.02**	**0.34**	**2.68**

Future minimum lease payments for year ended 31 March 2023 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	0.92	0.09	0.83
Later than 1 year not later than 5 years	0.37	0.02	0.35
Later than 5 years	-	-	-
Total	**1.29**	**0.11**	**1.18**

47 Fair value measurements

A Financial instruments by categories

Financial Assets

Particulars		Fair Value Hierarchy	As at 31 March 2024		As at 31 March 2023	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial assets measured at cost**					
	Non-current investments	Significant unobservable inputs (Level -3)	0.12	0.12	0.12	0.12
	(A)		**0.12**	**0.12**	**0.12**	**0.12**
2.	**Financial assets measured at FVTPL**					
	Non-current investments	Significant unobservable inputs (Level -3)	0.00	0.00	0.00	0.00
	(B)		**0.00**	**0.00**	**0.00**	**0.00**

Level 3 - category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Company. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

3.	**Financial assets measured at amortised cost**					
	Non-current investments	-	5.72	-	5.71	-
	Current investments	-	0.04	-	0.04	-
	Trade receivables	-	109.85	-	107.52	-
	Cash and cash equivalents	-	50.30	-	21.16	-
	Other bank balances	-	5.83	-	2.21	-
	Loans -		3.00	-	2.95	-
	Other financial assets	-	51.68	-	89.04	-
	(C)	**-**	**226.42**	**-**	**228.63**	**-**
	Total financial assets (A)+(B)+(C)	**-**	**226.54**	**0.12**	**228.75**	**0.12**

Financial liabilities

Particulars		As at 31 March 2024		As at 31 March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial liabilities measured at amortised cost**				
	Borrowings	103.20	-	138.89	-
	Trade payables	134.74	-	100.00	-
	Lease liabilities	2.68	-	1.18	-
	Other financial liabilities	10.05	-	6.92	-
	Total financial liabilities	**250.67**	**-**	**246.99**	**-**

B Valuation technique to determine fair values

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the long term borrowings, loans and other deferred payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

(ii) The fair values of investments measured at FVTPL are determined based on observable market data other than quoted prices in active market.

iii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the standalone financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

48 Financial risk management

The Company's principal financial liabilities comprise of borrowings, lease liabilities, trade payables and other payables. The Company's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Company primarily sells paints and coatings to customers operating in India and outside India. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Considering the nature of trade receivables, and entity's history of credit with those receivables, entity has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high external rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans to employees and securities deposits

The Company provides loans to its employees and furnish security deposit to various parties for electricity, communication, etc. The Company considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

Investments

The Company has invested in unquoted equity instruments and preference shares of its subsidiaries, and other company. The management actively monitors the operation of subsidiaries and joint venture which affect investments. The Company does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Non-current investments	5.84	5.83
Current investments	0.04	0.04
Cash and cash equivalents	50.30	21.16
Other bank balances	5.83	2.21
Loans	3.00	2.95
Other financial assets	51.68	89.04
	116.69	**121.23**
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	109.85	107.52
	109.85	**107.52**

Provision for expected credit loss

(i) Financial assets for which loss allowance is measured using 12 months expected credit loss

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

(ii) Financial assets for which loss allowance is measured using life time expected credit loss

For trade receivables, the Company follows the approach of a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables (net) before adjustment of expected credit loss provision of Rs. 5.90 crores (31 March 2023: Rs. 7.70 crores) as of the reporting date is as follows:

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024							
Trade receivables (gross)	87.46	19.79	4.68	1.93	0.77	1.12	115.75
Less: Allowance for expected credit loss	2.75	0.71	0.18	0.37	0.77	1.12	5.90
Trade receivables (net)	84.71	19.08	4.50	1.56	-	-	109.85
Expected credit loss %	3.14%	3.59%	3.85%	19.17%	100.00%	100.00%	5.10%

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Trade receivables (gross)	88.34	19.06	2.59	1.68	1.11	2.44	115.22
Less: Allowance for expected credit loss	2.64	0.34	0.64	0.53	1.11	2.44	7.70
Trade receivables (net)	85.70	18.72	1.95	1.15	-	-	107.52
Expected credit loss %	2.99%	1.78%	24.71%	31.55%	100.00%	100.00%	6.68%

Movement in expected credit loss allowance on trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	7.70	10.14
Provided during the year	-	-
Reversal/adjustment during the year	(1.80)	(2.44)
Balance at the end of the year	**5.90**	**7.70**

B Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

Expected maturity for financial liabilities having contractual undiscounted maturities

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2024					
Borrowings	103.20	59.48	23.34	20.38	**103.20**
Lease liabilities	2.68	-	1.41	1.61	**3.02**
Trade and other payables	134.74	-	134.74	-	**134.74**
Other financial liabilities	10.05	-	9.83	0.22	**10.05**

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2023					
Borrowings	138.89	18.19	106.08	14.62	**138.89**
Lease liabilities	1.18	-	0.92	0.37	**1.29**
Trade and other payables	100.00	-	100.00	-	**100.00**
Other financial liabilities	6.92	-	6.82	0.10	**6.92**

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest risk and commodity price risk which results from its operating, investing and financing activities.

(a) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of the Company is Indian Rupees (INR) and most of the transactions are carried out in INR. Exposure to currency exchange rates mainly arises from the Company's overseas sales and purchases which are primarily denominated in US Dollars (USD) and Euro (EUR).

The Company has limited exposure to the foreign currency risk and thereby it relies mainly on natural hedge. The carrying amounts of the Company's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows:

Exposure in foreign currency - unhedged

Outstanding foreign currency exposure not being hedged against adverse currency fluctuation:

Particulars	Period	Foreign currency		Local currency	
Bills discounting	31 March 2024	USD	0.02	INR	1.97
Trade receivables	31 March 2024	USD	0.01	INR	1.11
Trade payables	31 March 2023	USD	0.01	INR	0.51
Trade payables	31 March 2023	EUR	0.00	INR	0.24
Trade receivables	31 March 2023	USD	0.03	INR	2.28

Foreign currency denominated monetary items

The carrying amounts of the Company's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets		
Trade receivables	1.11	2.28
Financial liabilities		
Bills discounting	(1.97)	-
Trade payables	-	(0.24)
Net assets	**(0.86)**	**2.04**

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against foreign currency as at the year end would have increased/ (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

100 basis points increase and decrease in foreign exchanges rates will have the following impact on profit/(loss) before tax and equity

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
USD sensitivity	(0.01)	0.01	0.02	(0.02)
Increase/ (decrease) in profit or loss	**(0.01)**	**0.01**	**0.02**	**(0.02)**

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest rate risk exposure

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed rate borrowings	-	-
Variable rate borrowings	103.20	138.89
Total borrowings	**103.20**	**138.89**

Sensitivity on variable rate borrowings

Particulars	Impact on profit/(loss) before tax and equity	
	For the year ended 31 March 2024	For the year ended 31 March 2023
INR borrowings		
Interest rate increase by 50 basis points	(0.52)	(0.69)
Interest rate decrease by 50 basis points	0.52	0.69

(c) Commodity price risk

Commodity price risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Company is exposed to the movement in price of key raw materials in domestic and international markets.

(d) Other price sensitivity

The Company is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

49 Capital risk management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued share capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce the capital, as the case may be.

Particulars	As at 31 March 2024	As at 31 March 2023
Total borrowings (excluding lease liabilities)	103.20	138.89
Less: Cash and cash equivalents	50.30	21.16
Net debt	**52.90**	**117.73**
Total equity	377.35	336.63
Capital and net debt	**430.25**	**454.36**
Gearing ratio	12%	26%

The change in ratio is as a result of preferential allotment and repayment of borrowings by the Company during the year.

The Company has complied with the externally imposed capital requirements during the current and previous financial year.

50 Related party disclosure as per Ind AS 24

A List of related parties and relationships

Name of Related Party	Country of Incorporation	Ownership Interest	
		31 March 2024	31 March 2023
(a) Holding Company			
1 Hella Infra Market Private Limited (w.e.f 11 March 2024)	India	52.85%	24.99%
(b) Subsidiary companies			
1 Shalimar Adhunik Nirman Limited (SANL)	India	99.99%	99.99%
2 Eastern Speciality Paints & Coatings Private Limited (ESPCPL)	India	100%	100%

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

(c) Key managerial personnel (KMPs)	
1 Mr. Ashok Kumar Gupta	Managing Director
2 Mr. Alok Perti	Non-Executive Independent Director (Ceased w.e.f. 29 June 2023)
3 Mr. Abhyuday Jindal	Non-Executive Non-Independent Director
4 Mr. Ashok Kumar Agarwal	Non-Executive Independent Director (Ceased w.e.f. 11 August 2022)
5 Dr. Rajeev Uberoi	Non-Executive Independent Director
6 Ms. Shruti Srivastava	Non-Executive Independent Director (Ceased w.e.f. 19 February 2023)
7 Mr. Souvik Pulakesh Sengupta	Non-Executive Non-Independent Director
8 Mr. Vijay Kumar Sharma	Non-Executive Independent Director (Ceased w.e.f. 04 October 2023)
9 Mr. Sanjiv Garg	Non-Executive Independent Director (Appointed w.e.f. 10 August 2022)
10 Ms. Shan Jain	Non-Executive Independent Director (Appointed w.e.f. 13 February 2023)
11 Mr. Atul Rasiklal Desai ("ARD")	Non-Executive Independent Director (Appointed w.e.f. 28 June 2023)
12 Mr. Mohit Kumar Donter	Chief Financial Officer (Ceased w.e.f. 30 June 2023)
13 Mr. Davinder Dogra ("DD")	Chief Financial Officer (Ceased w.e.f. 30 September 2023)
14 Mr. Sachin Naik ("SN")	Chief Financial Officer (Appointed w.e.f. 06 December 2023)
15 Ms. Shikha Rastogi	Company Secretary
(d) Relative of KMP	
1 Mrs. Shelly	Spouse of Mr. Mohit Kumar Donter
(e) Entities in which a KMP/ director or his/her relative is a member or director	
1 Hella Infra Market Private Limited	Other related party
2 Hella Infra Market Retail Private Limited	Other related party
3 Hella Chemical Market Private Limited	Other related party
4 RDC Concrete (India) Private Limited	Other related party
5 Jindal Stainless (Hisar) Limited (Amalgamated w.e.f. 02 March 2023)	Other related party
6 Jindal Stainless Limited	Other related party

B Related party transaction

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Reimbursement of expenses incurred by Company		
Eastern Speciality Paints & Coatings Private Limited	0.00	0.00
Shalimar Adhunik Nirman Limited	0.04	0.02
Mr. Ashok Kumar Gupta	0.01	0.02
Mr. Mohit Kumar Donter	0.00	0.01
Mr. Sachin Naik	0.00	-
Ms. Shikha Rastogi	0.00	0.00
Mrs. Shelly	-	0.05

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remuneration paid to KMPs		
Mr. Ashok Kumar Gupta	2.50	2.50
Mr. Mohit Kumar Donter	0.34	0.63
Ms. Shikha Rastogi	0.31	0.24
Mr. Sachin Naik	0.43	-
Mr. Davinder Dogra	0.32	-
Salary payable at the end of the year		
Mr. Ashok Kumar Gupta	0.13	0.13
Mr. Sachin Naik	0.08	-
Mr. Mohit Kumar Donter	-	0.03
Ms. Shikha Rastogi	0.02	0.01
Defined benefit obligation (cumulative) for KMPs		
I. Gratuity		
Mr. Ashok Kumar Gupta	0.15	0.13
Mr. Sachin Naik	0.01	-
Mr. Mohit Kumar Donter	-	0.03
Ms. Shikha Rastogi	0.02	0.01
II. Compensated absences		
Mr. Ashok Kumar Gupta	0.02	0.01
Mr. Sachin Naik	0.01	-
Mr. Mohit Kumar Donter	-	0.00
Ms. Shikha Rastogi	0.00	0.00
Interest accrued but not due on optionally convertible debentures [refer note 22(a)]		
Hella Infra Market Private Limited	1.94	4.95
Share warrants [refer note 20(iii)]		
Hella Infra Market Private Limited	56.25	18.75
Virtuous Tradecorp Private Limited	30.00	10.00
JSL Limited	26.25	8.75
Sale of products		
Jindal Stainless (Hisar) Limited	-	0.92
Jindal Stainless Limited	10.98	3.61
Hella Infra Market Retail Private Limited	0.63	15.92
Hella Infra Market Private Limited	0.00	16.23
RDC Concrete (India) Private Limited	(0.00)	6.67
Purchase of products		
Hella Chemical Market Private Limited	0.70	5.14
Hella Infra Market Private Limited	1.04	-
Rent		
Hella Infra Market Retail Private Limited	0.55	0.26
Jindal Stainless Limited	0.01	-

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Directors sitting fees		
Mr. Alok Perti	0.03	0.04
Dr. Rajeev Uberoi	0.09	0.05
Mr. Atul Rasiklal Desai	0.02	-
Mr. Ashok Kumar Agarwal	-	0.01
Mr. Sanjiv Garg	0.04	0.02
Ms. Shruti Srivastava	-	0.03
Mr. Vijay Kumar Sharma	0.04	0.02
Ms. Shan Jain	0.05	0.01
Employee stock option expense		
Ms. Shikha Rastogi	0.02	-
Consultancy fees		
Ms. Shan Jain	0.04	0.02
Shalimar Adhunik Nirman Limited	8.80	8.76
Eastern Speciality Paints & Coatings Private Limited	0.03	0.03
Receivables/(payables)		
RDC Concrete (India) Private Limited - Sale	0.00	4.03
Jindal Stainless Limited - Sale	2.09	0.98
Hella Infra Market Retail Private Limited - Sale	0.19	2.30
Hella Chemical Market Private Limited - Purchase	(0.04)	(1.11)
Jindal Stainless (Hisar) Limited - Sale	-	0.09
Jindal Stainless (Hisar) Limited - Rent	(0.01)	-
Hella Infra Market Private Limited - Purchase	(0.80)	-
Hella Infra Market Private Limited - Sale	0.00	7.81
Hella Infra Market Retail Private Limited- Rent	(0.25)	(0.10)

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions.

The remuneration to the KMP's does not include the provision made for gratuity and leave benefit as these are determined for the Company as a whole.

51 Share based payments (Equity settled)

A The ESOP 2013 scheme was approved by the Board of Directors and the shareholders on 25 May 2013 and 06 August 2013 respectively. As per the ESOP 2013 scheme, options are granted to employees of the Company which will vest over the period of four years. The relevant details of the scheme are as follows:

I Option movement during the year ended 31 March 2023

Particulars	31 March 2023	
	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	4,000	111.22
Options granted during the year	-	-
Options lapsed during the year	4,000	111.22
Options exercised during the year	-	-
No. of options outstanding at the end of the year	-	-
No. of options exercisable at the end of the year	-	-

II Weighted average remaining contractual life

Particulars	31 March 2023	
	No. of options outstanding	Weighted average contractual life (years)
Weighted average remaining contractual life	-	-

III Effect of employee stock option scheme on the Statement of Profit and Loss and Balance Sheet

Particulars	31 March 2023
Employee option plan expense	(0.05)
Share options outstanding at the end of the period	-

*No options were granted in the current year or previous year and no options were outstanding as at 31 March 2024 and 31 March 2023.

B The ESOP 2022 scheme was approved by the Board of Directors and the shareholders on 10 August 2022 and 29 September 2022 respectively. As per the ESOP 2022 scheme, options have been granted to the eligible employees of the Company which will vest over the period of four years at the end of 1 year from the grant date. The relevant details of the scheme are as follows:

I Option movement during the year ended 31 March 2024

Particulars	31 March 2024	
	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	-	-
Options granted during the year	19,66,566	139.20
Options lapsed during the year	6,55,426	-
Options exercised during the year	-	-
No. of options outstanding at the end of the year	13,11,140	139.20
No. of options exercisable at the end of the year	-	-

II Weighted average remaining contractual life

Particulars	31 March 2024	
	No. of options outstanding	Weighted average contractual life (years)
Weighted average remaining contractual life	13,11,140	2.55

III Method and assumptions used to estimate the fair value of options granted:

The fair value has been calculated using the Black Scholes Option Pricing model.

The assumptions used in the model are as follows:

Variables	31 March 2024
	Weighted Average
1. Risk-free rate of return	6.99%-7.14%
2. Time to maturity	1.25 to 4.25 years
3. Expected volatility	35.49%-50.56%
4. Expected divided yield	-
5. Exercise price (Rs.)	139.20
6. Price of the underlying share in market at the time of the option grant (Rs.)	147.50

IV Effect of employee stock option scheme on the Standalone Statement of Profit and Loss and Standalone Balance Sheet

Particulars	31 March 2024
Employee option plan expense	1.91
Share options outstanding at the end of the period	1.91

*No options were granted in the previous year.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

52 Financial ratios

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	% change	Reason for variance if more than 25%
Current ratio (in times)	Current assets	Current liabilities	1.42	1.39	2%	Not applicable
Debt-equity ratio (in times)	Total debt [Non-current borrowings + current borrowings + lease liabilities]	Shareholders' equity [equity share capital + other equity]	0.27	0.41	-34%	Change in ratio is primarily due to repayment of loans during the year and fresh equity infusion through conversion of share warrants into equity shares.
Debt service coverage ratio (in times)	Earnings available for debt service [Net profit/(loss) after tax + depreciation, amortisation and impairment + finance cost - profit on sale of property, plant and equipment + other non cash adjustments]	Debt service [Interest and lease payments + principal repayments (excluding prepayments)]	(3.55)	(0.47)	651%	Change in ratio is primarily due to increase in losses.
Return on equity (in %)	Net profit after tax	Average shareholder's equity [(opening shareholder's equity + closing shareholder's equity)/2]	-20.66%	-10.75%	92%	Change in ratio is primarily due to increase in losses.
Inventory turnover ratio (in times)	Cost of goods sold [Costs of materials consumed + purchases of stock-in -trade + changes in inventories of finished goods, work-in- progress and stock-in-trade]	Average inventories [(opening inventories + closing inventories) /2]	3.37	3.41	-1%	Not applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables [(opening trade receivables + closing trade receivables)/2]	4.92	5.20	-5%	Not applicable
Trade payables turnover ratio (in times)	Net purchases	Average trade payables [(opening trade payables + closing trade payables)/2]	3.30	3.61	-9%	Not applicable
Net capital turnover ratio (in times)	Revenue from operations	Working capital [current assets - current liabilities inclusive of current maturities of long-term debts]	5.39	3.75	44%	Change in ratio is primarily due to proportionately higher increase in the revenue from operations than working capital.
Net profit ratio (in %)	Net profit after tax	Revenue from operations	-13.8%	-7.5%	85%	Change in ratio is primarily due to increase in losses.
Return on capital employed (in %)	Earnings before interest and taxes	Capital employed [Tangible net worth* + total debt** + deferred tax liabilities]	-12.58%	-4.24%	197%	Change in ratio is primarily due to increase in losses.
Return on investment (in %)	Interest income on fixed deposit with banks carried at amortised cost	Weighted average balance in deposits	7%	5%	46%	Change in ratio is primarily due to increase in interest rates.

*Tangible net worth= Equity share capital + other equity

** Total debt=Non-current and current borrowings + non-current and current lease liabilities

53 Details of disclosure pursuant to Regulation 34 of SEBI (Listing, Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under section 186(4) of the Act:

Particulars	31 March 2024		31 March 2023	
	Shalimar Adhunik Nirman Ltd.	Eastern Speciality Paints & Coatings Pvt Ltd.	Shalimar Adhunik Nirman Ltd.	Eastern Speciality Paints & Coatings Pvt Ltd.
Investments				
Investment at the beginning of the year	5.81	0.02	5.76	0.02
Investment at the end of the year	5.82	0.02	5.81	0.02
Loan given (at the rate 12% p.a.)				
Loan outstanding at the beginning of the year	2.94	0.01	2.93	0.01
Loan outstanding at the end of the year	2.99	0.01	2.94	0.01
Maximum balance outstanding during the year	2.99	0.01	2.94	0.01

54 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities pursuant to Ind AS 7 'Statement of Cash Flows'

Particulars	Lease liabilities (Non-current and current)	Borrowings (Non-current and current)
Balance as at 01 April 2022	1.89	165.74
Cash flows (net)	(0.99)	(28.32)
Non-cash changes:		
Recognition in lease liabilities (net)	0.28	-
Impact of fair value changes	-	1.47
Balance as at 31 March 2023	**1.18**	**138.89**
Cash flows (net)	(1.42)	(35.69)
Non-cash changes:		
Recognition in lease liabilities (net)	2.92	-
Balance as at 31 March 2024	**2.68**	**103.20**

55 **Segment information**

The business activities of the Company predominantly fall within a single reportable business segment, i.e. manufacturing of paints within India and sale of paints within India and outside India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 'Operating Segments'. The aforesaid is in line with review of operating results by the chief operating decision maker.

56 As per the order of Hon'ble High Courts of Calcutta and Delhi in accordance with the Scheme of arrangement under Section 391-394 of the Companies Act, 1956 between Shalimar Paints Limited, its subsidiary company, Shalimar Adhunik Nirman Private Limited (SANL), and their respective shareholders and creditors, the Company has transferred its Real Estate Division, consisting fixed assets and current assets valued at Rs. 5.77 crores (inclusive of stamp duty on land) to SANL. Out of the said consideration money, SANL has issued preference shares amounting to Rs. 0.50 crores. The balance consideration of Rs. 5.27 crores shall be discharged by payment in cash and which has been presented as interest free loan in the investments (refer note 8).

Further, as per the abovementioned arrangement, all debts, duties, undertakings, liabilities and obligations incurred by the Company in connection with the Real Estate Division on or after the appointed date shall be deemed to have been raised, used, incurred for and on behalf of SANL. This has resulted in the additional loan of Rs. 3.00 crores (31 March 2023: Rs. 2.95 crores), including interest, to SANL (refer note 9).

57 The Company's manufacturing plant situated at Nashik got a massive fire on 19 November 2016, which caused extortionate damage to the company, both on account of loss of assets i.e. building, plant and machinery, inventory etc. vis-à-vis loss of the profit during the period.

The Company had taken two insurance policies from United India Insurance Company Limited viz. Loss of Profit Policy and Reinstatement Policy and had filed the claims against those policies with the insurance company. The status of those claims is as under:

(i) The Company had claimed Rs. 32.90 crores in respect of Nashik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their survey report at Rs. 22.14 crores (loss of production method) and at Rs. 22.63 crores (turnover method) and thereafter further reduced the amount to Rs. 18.32 crores. Against the aforesaid claim, the Company has received in total Rs. 16.14 crores (Rs. 13.99 crores, as interim payment during earlier financial years). The remaining amount of Rs. 2.14 crores received during previous year had been shown under the head "Other Income". Aggrieved with the assessment being not fully indemnified, the Company invoked arbitration and has filed its claim of Rs. 12.57 crores before the Arbitral Tribunal, which is currently pending for adjudication.

(ii) The Company had claimed Rs. 59.35 crores in respect of Nashik Plant fire under Reinstatement Policy, and the surveyor appointed by the insurer had assessed the claim vide their survey report at Rs. 21.89 crores. Against the aforesaid claim, the Company had received total Rs. 20.91 crores in earlier financial years. Aggrieved with the assessment being not fully indemnified, the Company invoked arbitration and had filed its claim of Rs. 37.93 crores before the Arbitral Tribunal. On 05 January 2024, Arbitrator has passed an Award of Rs. 20.01 crores in favour of the Company for the claim filed under Reinstatement Policy. The Company is in the process of getting the award executed for its enforcement.

58 Term loans from financials institutions represent loan availed by the Company for working capital needs of business.

59 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07 May 2009 requiring the Company to give immovable property to the extent of Rs. 4.50 crores as security in favour of Tara Properties Private Limited (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of its land at Goaberia (adjacent to Howrah plant), as security. Refer note 5.1(e).

60 **Additional regulatory information not disclosed elsewhere in the financial information**

a The Company has used the borrowings from banks and financial institutions for the specific purposes for which it were taken at the balance sheet date (refer note 26).

b The Company does not hold any investment property as defined under Ind AS 40.

c The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the current or previous year (refer notes 5 and 7).

d The Company has not traded or invested in crypto currency or virtual currency during the current and previous year (refer notes 8 and 14).

e The Company has not granted loans or advances in the nature of loans to its promoters, directors, KMPs and other related parties (as defined under Companies Act, 2013), either severally or jointly with any other person other than referred in note 50.

f No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

g **Reconciliation of amount as per quarterly returns shared with banks and books:**

(i)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2023	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Inventories	126.35	126.69	(0.34)	Difference is due to book closure entries which pertain to provision of Rs.1.31 crores sales reversal of Rs. 1.95 crores and adjustment of Rs. 0.51 crores.
30 September 2023				116.45	122.19	(5.74)	Difference is due to book closure entry which pertains to provision of Rs. 5.74 crores.
31 December 2023				125.45	121.48	3.97	Difference is due to book closure entries which pertain to provision of Rs.5.15 crores and sales reversal of Rs. 1.19 crores.
31 March 2024				116.48	121.44	(4.96)	Difference is due to book closure entry which pertains to provision of Rs. 4.96 crores approx.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

(ii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2022	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Inventories	112.56	114.55	(1.99)	Difference is due to book closure entry which pertains to provision of Rs. 1.99 crores done in the opening balance as a restatement adjustment.
30 September 2022				107.25	107.20	0.05	Difference is due to book closure entries.
31 December 2022				108.77	111.81	(3.04)	Difference is due to book closure entry which pertains to sales reversal impact of Rs. 3.04 crores.
31 March 2023				113.58	113.78	(0.20)	Difference is due to book closure entry which pertains to scrap sale of Rs. 0.20 crores.

(iii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2023	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Trade receivables	92.22	111.95	(19.73)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 7.79 crores, stock transfer balance of Rs. 0.41 crores and sales reversal of Rs.12.35 crores.
30 September 2023				98.88	119.03	(20.15)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 8.01 crores, stock transfer balance of Rs. 0.21 crores and sales reversal of Rs. 12.35 crores.
31 December 2023				107.20	126.76	(19.56)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 8.34 crores, stock transfer balance of Rs. 1.33 crores and sales reversal of Rs. 12.35 crores.
31 March 2024				109.85	132.61	(22.76)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 5.90 crores, sales reversal of Rs.18.86 crores, unidentified collection of Rs. 0.65 crores, credit balance of debtors of Rs. 2.25 crores and inter-depot stock transfer of Rs. 0.35 crores.

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

(iv)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2022	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Trade receivables	82.12	92.41	(10.29)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 10.56 crores and stock transfer balance of Rs. 0.29 crores.
30 September 2022				95.10	113.48	(18.38)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 7.52 crores, sales reversal of Rs. 11.03 crores and stock transfer balance of Rs. 0.18 crores.
31 December 2022				102.91	114.50	(11.59)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 12.59 crores, stock transfer balance of Rs. 0.37 crores and grossing of debtors of Rs. 0.86 crores.
31 March 2023				107.52	126.52	(19.00)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 7.70 crores, stock transfer balance of Rs. 0.39 crores, grossing of debtors of Rs. 1.17 crores, collection received from unidentified customers of Rs. 0.18 crores and sales reversal of Rs. 10.35 crores.

h The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

i Details of struck-off companies with whom the Company has transactions during the year or outstanding balance:

Name of struck-off company	Nature of transactions with struck-off companies	As at 31 March 2024	As at 31 March 2023
Expedite AR Management Private Limited	Receivables	0.01	0.01

j The Company has registered with Ministry of Corporate Affairs/ Registrar of Companies, all charges or satisfaction within the statutory time period.

k The Company is compliant in respect of number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

l The Company has not entered into any scheme of arrangement in the current and previous year.

m The Company has not advanced or provided loan to or invested funds in entity including foreign entity or to any other person with the understanding that the intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

n The Company has not received any funds from any person or entity including foreign entity with the understanding that the company shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

o In view of continued lossess, the Company is not covered by Section 135 of the Companies Act, 2013 dealing with CSR activities.

p The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Standalone Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

61 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which use accounting software for maintaining their books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.During the current year, the audit trail (edit logs) feature was not enabled at the database level for accounting software SAP (Database – Oracle 12C) to log any direct data changes, used for maintenance of all accounting records by the Company. Audit trail (edit log) is enabled at the application level as part of standard SAP framework.

62 Amounts below the rounding off norms adopted by the Company are presented as "0".

63 Previous year figures have been regrouped/reclassified, wherever considered necessary in order to comply with financial reporting requirements. The impact of such regrouping/reclassification is not material to these standalone financial statements. Further, the Company has chosen to present these financial statements from INR lakhs to INR crores. Accordingly, the previous year numbers are presented to INR crores.

The accompanying notes are an integral part of standalone financial statement.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Independent Auditor's Report

To the Members of Shalimar Paints Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Shalimar Paints Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditor on separate financial statements and on the other financial information of the subsidiaries the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditor in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditor on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No.	Key audit matter	How our audit addressed the key audit matter
A.	**Revenue recognition** (Refer Note 3.3 and 30 for details of revenue recognised during the year) The Holding Company's revenue is derived primarily from manufacturing, selling and distribution of paints, coatings and providing related services recognised in accordance with the accounting policy described in the accompanying consolidated financial statements. In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, ('Ind AS 115') revenue from the sale of products is recognised by the Holding Company when the performance obligation is satisfied, i.e., when the 'control' of the goods underlying the particular performance obligation is transferred to the customer. The performance obligations are generally considered to be satisfied by the management when the buyer examines the goods after taking delivery in accordance with the terms and conditions included in the revenue contracts. Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programs run by the Holding Company, which requires estimates to be made by the management at each year end.	In view of the significance of the matter, our audit procedures included, but were not limited to the following: a) Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. b) Obtained an understanding of the management's processes and controls relating to revenue recognition. c) Evaluated the design and tested the operating effectiveness of Holding Company's key internal controls relating to revenue recognition. d) Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, purchase order, sales order, sales invoice and proof of delivery through dispatch/shipping documents. e) Performed testing of samples of revenue transactions recorded during specific period before and after year-end by verifying underlying documents as above, to assess whether revenue was recognised in the correct period.

Independent Auditor's Report

S. No.	Key audit matter	How our audit addressed the key audit matter
	Further, the Holding Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	f) Performed analytical procedure which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors. g) Tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting.For the samples selected compared that the actual rebates and discounts recognized in respect of particular schemes do not exceed their approved amounts. h) Circularised balance confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any. i) Assessed that the adequacy of disclosures made by the Holding Company management are in accordance with the applicable accounting standards.
B.	**Provision for Obsolescence of Inventory** (Refer Note 3.5 and 12 for details of inventory as at 31 March, 2024). The Holding Company held inventories aggregating Rs. 116.48 crores as at 31 March, 2024 comprising of raw materials, work-in progress, stock-in-trade, finished goods, packaging materials and stores, spares and consumables, on which the Holding Company has recorded an obsolescence provision amounting to Rs. 4.98 crores as at 31 March 2024. At each reporting period end, the management assesses whether there is any objective evidence indicating that the net realisable value of any item of inventory is below its carrying value. If so, such inventories are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories ('Ind AS 2'). The factors that the Holding Company considers in determining the provision for slow moving, obsolete, damaged and other non-saleable inventory include estimated remaining shelf life, product discontinuances and ageing of inventory, to the extent each of these factors impact the Holding Company's business and markets. The Holding Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis. The aforesaid determination involves significant management judgement and high estimation uncertainty on account of usage of slow moving, obsolete and other non-saleable inventory. Considering the above, provision for obsolescence of inventory has been considered as key audit matter for the current period audit.	Our audit procedures for testing provision for obsolescence of inventory included, but were not limited to the following: a) Obtained an understanding of management's process to identify slow-moving, obsolete, and other non-saleable inventory, and process of consequent measurement of required provision for obsolescence. b) Evaluated the appropriateness of related accounting policies adopted by the Holding Company in accordance with the requirements of Ind AS 2 ('Ind AS 2'); c) Evaluated the design, implementation and tested the operating effectiveness of key controls that the Holding Company has in relation to aforesaid process; d) Evaluated the nature, source and reliability of all the information used by the management for arriving at the estimates for determination of provision for obsolescence of inventory and observed physical count on few locations; e) For the provision made in respect of non-processable inventory and reprocessing cost to be incurred on re-processable inventory, discussed with the senior management the basis of identification of such inventory along with the judgement and estimates used. We have evaluated the aforesaid in view of our understanding of the business and industry conditions. Further, reperformed computations to validate the accuracy and completeness of such provision; and f) Evaluated appropriateness of disclosures made in the consolidated financial statements.
C	**Impairment assessment of freehold land at Kolkata** As described in Note 3.17 to the consolidated financial statements, In year 2014, the operations in Holding Company's Kolkata plant were suspended after a fire incident as a result of which the land at Kolkata plant is not used to its full capacity. The aforesaid matter is impairment indicator and triggered a need for impairment assessment. Management, during the year ended 31 March 2024, has carried out valuation of land whereby the carrying amount of the land was compared with the recoverable value as determined under the principles of Ind AS 36.	Our audit procedures for impairment assessment of Kolkata (Howrah) freehold land included, but were not limited to the following: a) Discussed with the management, future plans of the Holding Company with respect to alternate use of the plant and future revival of operations of the plant. b) Assessed the appropriateness of the accounting policies with respect to property plant and equipment and its compliances with applicable accounting standards "IND AS 16".

Independent Auditor's Report

S. No.	Key audit matter	How our audit addressed the key audit matter
	The aforesaid recoverable value has been determined by the management with the help of an external valuation expert using market approach and the key assumptions underpinning such valuation are guideline rate published by state government. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in the impairment evaluation, impairment assessment of the land at Kolkata plant was determined as a key audit matter.	c) Obtained an understanding of the management's processes and tested the design and operating effectiveness of internal controls over identification and impairment test procedures; d) Reviewed the fair valuation report with respect to Howrah land at Kolkata plant obtained by the management from an independent valuer and assessed the professional competence, skills and objectivity of the valuer for performing the required valuation; e) Assessed the appropriateness of the significant assumptions as well as the Holding Company's valuation methodology and assumptions with the support of auditor's valuation specialists. f) Evaluated the adequacy and appropriateness of disclosures made by the Holding Company in the consolidated financial statements, as required by the applicable provisions of the Act and the requirement of Ind AS 36.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. 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 of the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets of Rs. 27.23 crores as at 31 March 2024, total revenues of Rs. 0.00 crores and net cash outflows amounting to Rs. 0.00 crores for the year ended on that date, as considered in the consolidated financial statements.. These financial statements have been audited by other auditor whose reports have 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 these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditor.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditor.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditor, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiaries, incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditor as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under 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 purpose 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 auditor except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

    c) The consolidated financial statements 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 Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditor of its subsidiaries, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

    f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b) above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)

    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

    h) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditor on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 42 to the consolidated financial statements;

        ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries covered under the Act, during the year ended 31 March 2024;

        iv. a. The respective managements of the Holding Company and its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiaries, respectively that, to the best of their knowledge and belief , as disclosed in note 57(m) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

Independent Auditor's Report

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditor of such subsidiaries, respectively that, to the best of their knowledge and belief, as disclosed in the note 57(n) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditor of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditor notice that has caused us or the other auditor to believe that the management representations under sub-clauses iv(a) and iv(b) above contain any material misstatement.

v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2024.

vi. As stated in note 58 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditor of the subsidiaries, of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances mentioned below, the Holding Company, in respect of financial year commencing on or after 1 April 2023, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with other than the consequential impact of the exception given below.

Nature of exception noted	Details of Exception
Instances of accounting software for maintaining books of account for which the feature of recording audit trail (edit log) facility was not operated throughout the year for all relevant transactions recorded in the software.	The audit trail feature was not enabled at the database level for accounting software to log any direct data changes, used for maintenance of all accounting records by the Company.
Instances of accounting software for maintaining books of account which did not have a feature of recording audit trail (edit log) facility	The accounting software used for maintenance of accounting records of the two subsidiaries, did not have a feature of recording audit trail (edit log) facility.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUEC3599

Place: Gurugram
Date: 17 May 2024

Annexure I

List of entities included in the Statement

Holding Company

1. Shalimar Paints Limited

Subsidiaries:

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

Independent Auditor's Report

Annexure II

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Shalimar Paints Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. The Company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The Company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles,

Independent Auditor's Report

and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditor on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

Other Matter

9. We did not audit the internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 27.23 crores and net assets of Rs. 15.28 crores as at 31 March 2024, total revenues of Rs. 0.00 crores and net cash outflows amounting to Rs. 0.00 crores for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditor whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 24508685BKEUEC3599

Place: Gurugram
Date: 17 May 2024

SHALIMAR PAINTS

Consolidated Balance Sheet as at 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

Particulars	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	5.1	253.93	252.10
Right-of-use assets	5.2	17.92	16.68
Capital work-in-progress	6	33.67	1.61
Intangible assets	7.1	2.89	3.34
Intangible assets under development	7.2	1.27	0.10
Financial assets			
i) Investments	8	0.00	-
ii) Other financial assets	9	1.66	1.42
Non-current tax assets (net)	10	3.89	2.99
Other non-current assets	11	9.38	1.21
Total non-current assets		**324.61**	**279.45**
Current assets			
Inventories	12	116.48	113.58
Financial assets			
i) Trade receivables	13	109.85	107.52
ii) Cash and cash equivalents	14.1	50.35	21.21
iii) Bank balances other than (ii) above	14.2	5.83	2.21
iv) Other financial assets	15	50.05	87.65
Current tax assets (net)	16	-	1.00
Other current assets	17	12.39	11.05
Total current assets		**344.95**	**344.22**
Total assets		**669.56**	**623.67**
Equity and liabilities			
Equity			
Equity share capital	18	16.74	14.44
Other equity	19	376.44	338.11
Total equity		**393.18**	**352.55**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	20	20.38	14.62
ii) Lease liabilities	21	1.49	0.35
iii) Other financial liabilities	22	0.22	0.10
Provisions	23	7.56	6.02
Deferred tax liabilities (net)	39	2.48	2.48
Total non-current liabilities		**32.13**	**23.57**
Current liabilities			
Financial liabilities			
i) Borrowings	24	82.82	124.27
ii) Lease liabilities	25	1.19	0.83
iii) Trade payables	26		
'Total outstanding dues to micro enterprises and small enterprises		11.77	10.11
'Total outstanding dues to trade payables other than micro and small enterprises		122.96	89.91
iv) Other financial liabilities	27	9.88	6.82
Other current liabilities	28	6.32	4.72
Provisions	29	9.31	10.89
Total current liabilities		**244.25**	**247.55**
Total liabilities		**276.38**	**271.12**
Total equity and liabilities		**669.56**	**623.67**
The summary of material accounting policies and other explanatory information form an integral part of these consolidated financial statements.	1-60		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2024	Year ended 31 March 2023
Income			
Revenue from operations	30	534.91	483.81
Other income	31	8.12	7.21
Total income		**543.03**	**491.02**
Expenses			
Cost of materials consumed	32	362.77	345.56
Purchases of stock-in-trade	33	30.80	24.48
Changes in inventories of finished goods, work-in-progress and stock-in-trade	34	(5.81)	(13.44)
Employee benefits expense	35	77.11	53.88
Finance costs	36	12.96	15.90
Depreciation, amortisation and impairment expense	37	14.84	12.71
Other expenses	38	124.21	88.08
Total expenses		**616.88**	**527.17**
Loss before tax		**(73.85)**	**(36.15)**
Tax expense	39		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		**(73.85)**	**(36.15)**
Other comprehensive income	40		
a. Items that will not be reclassified to Profit or Loss			
(i) Remeasurement gain on defined benefit plans		0.06	0.45
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total other comprehensive income for the year		**0.06**	**0.45**
Total comprehensive income for the year		**(73.79)**	**(35.70)**
Earnings per equity share of face value of Rs. 2 each	41		
1) Basic (in Rs.)		(9.52)	(5.01)
2) Diluted (in Rs.)		(9.52)	(5.01)
The summary of material accounting policies and other explanatory information form an integral part of these consolidated financial statements.	1-60		

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Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Consolidated Cash Flow Statement as at 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

('Indirect method')

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
A. Operating activities		
Loss before tax	**(73.85)**	**(36.15)**
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation, amortisation and impairment expense	14.84	12.70
Gain on lease modification	(0.03)	-
Interest expense	12.96	15.86
Interest income classified as investing cash flow	(6.30)	(5.12)
(Profit)/Loss on disposal of property, plant and equipment	(1.35)	0.01
Provision for advance to supplier	0.21	(1.99)
Excess liabilities written back	(0.26)	-
Advances written off	0.38	-
Employee stock option expense	1.91	-
Unrealised gain on foreign currency translations	(0.03)	(0.11)
Provision for inventory obsolescence	2.73	3.98
Operating profit before working capital changes	**(48.79)**	**(10.82)**
Working capital adjustments:		
Increase in inventories	(2.89)	(22.22)
Increase in trade receivables	(2.32)	(28.93)
Decrease in other current and non-current financial asset	33.07	4.59
(Increase) / Decrease in other current and non-current asset	(2.18)	4.21
Increase in other current and non-current financial liability	4.31	0.79
Increase in other current liability	1.59	1.03
Increase in trade payables	34.77	4.40
Increase/ (Decrease) in provisions	0.02	(0.44)
Total cash generated/ (used in) operations	**17.58**	**(47.39)**
Net income tax paid / (refund)	0.10	(0.54)
Net cash generated/ (used in) operating activities (A)	**17.68**	**(47.93)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets (including adjustments on account of capital-work-in-progress, capital advances and capital creditor)	(57.21)	(11.20)
Proceeds from sale of property, plant and equipment	1.57	0.03
Investment in bank deposits	(3.73)	(75.41)
Interest received	8.02	2.80
Net cash used in investing activities (B)	**(51.35)**	**(83.78)**
C. Financing activities		
Issue of share capital	2.30	-
Proceeds from securities premium	110.20	-
Repayment of debentures	(54.33)	-
Proceeds from share warrants	-	37.50
Proceeds from long term borrowings	18.06	-
Repayment of long term borrowings	(14.69)	(15.08)
Proceeds/ (repayment) of short-term borrowings (net)	15.26	(13.24)
Repayment of principal element of lease liabilities	(1.23)	(1.17)
Cash payment for interest portion of lease liabilities	(0.19)	(0.19)
Interest paid	(12.57)	(14.69)
Net cash flows generated/ (used in) from financing activities (C)	**62.81**	**(6.87)**
Net change in cash and cash equivalents (D=A+B+C)	**29.14**	**(138.58)**
Cash and cash equivalents at the beginning of year (E)	21.21	159.79
Cash and cash equivalents at the end of year (D+E)	**50.35**	**21.21**
Reconciliation of cash and cash equivalents as per the cash flow statement (refer note 14.1)		
Cash and cash equivalents as per above comprise of the following:		
i) Cash on hand	0.00	0.00
ii) Balance with banks :		
-In current accounts	12.35	21.21
-Balance in deposits with original maturity less than 3 months	38.00	-
Total	**50.35**	**21.21**

Refer note 50 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7

The summary of material accounting policies and other explanatory information form an integral part of these consolidated financial statements.1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

SHALIMAR PAINTS

Consolidated Statement Of Changes In Equity for the year ended 31 March 2024

(All amounts are in Rupees crores, unless otherwise stated)

A	Equity Share Capital	Notes	No. of shares	Amount
	Equity share capital as at 1 April 2022		7,22,16,926	14.44
	Changes in equity share capital during the year		-	-
	Equity share capital as at 31 March 2023	18	7,22,16,926	14.44
	Changes in equity share capital during the year		1,14,94,252	2.30
	Equity share capital as at 31 March 2024	18	**8,37,11,178**	**16.74**

B Other equity

Particulars	Notes	Reserves & Surplus						Equity portion of optionally convertible debentures (OCD)	Money received against share warrants	Total
		Securities premium	Share options outstanding account	General reserve	Retained earnings	Revaluation reserve	Capital reserve			
Balance as at 01 April 2022		**463.90**	**0.05**	**40.62**	**(279.17)**	**108.71**	**-**	**2.25**	**-**	**336.36**
-Loss for the year		-	-	-	(36.15)	-	-	-	-	**(36.15)**
-Other comprehensive income for the year										
Remeasurement gain on defined benefit plans		-	-	-	0.45	-	-	-	-	0.45
-Money received against share warrants		-	-	-	-	-	-	-	37.50	37.50
-Employee stock option expense reversal		-	(0.05)	-	-	-	-	-	-	(0.05)
Balance as at 31 March 2023	19	**463.90**	**-**	**40.62**	**(314.87)**	**108.71**	**-**	**2.25**	**37.50**	**338.11**
-Loss for the year		-	-	-	(73.85)	-	-	-	-	**(73.85)**
-Other comprehensive income for the year										**-**
Remeasurement gain on defined benefit plans		-	-	-	0.06	-	-	-	-	**0.06**
-Transfer of equity portion to capital reserve on repayment		-	-	-	-	-	2.25	(2.25)	-	**-**
-Premium received on issue of equity shares		147.70	-	-	-	-	-	-	-	**147.70**
-Transfer of money received against share warrants on issue of equity shares		-	-	-	-	-	-	-	(37.50)	**(37.50)**
-Employee stock option expense		-	1.91	-	-	-	-	-	-	**1.91**
Balance as at 31 March 2024	19	**611.60**	**1.91**	**40.62**	**(388.66)**	**108.71**	**2.25**	**-**	**-**	**376.44**

The summary of material accounting policies and other explanatory information form an integral part of these consolidated financial statements. 1-60

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

Notes to the Consolidated Financial Statements for the year ended 31 March 2024

1. Group background

Shalimar Paints Limited ("the Holding Company") is a public limited Company domiciled in India with corporate identification number L24222HR1902PLC065611. The registered office of the Holding Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Holding Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Group ('the Holding Company and its two subsidiaries') is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Group has pan-India presence through its marketing offices in all major states in India and has its manufacturing units in Nashik, Howrah, Sikandrabad and Chennai.

2. Basis of consolidation

The consolidated financial statements comprises the financial statements of Shalimar Paints Limited ('the Holding Company') and its subsidiaries Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited (herein collectively referred to as "Group")

The accounting policies have been applied consistently over all the periods presented in these financial statements. The consolidated financial statements provide comparative information in respect of previous year. These consolidated financial statements are approved for issue on 17 May 2024 in accordance with the resolution of the Board of Directors.

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

The financial statements of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the parent Group i.e. year ended 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The following consolidation procedures are adopted

Subsidiary:

a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

b. Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and

c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 'Income Taxes' applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income ("OCI") are attributed to the equity holders of the parent of the Group.

Statement of compliance

These consolidated financial statements have been prepared as a going concern in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act and guidelines issued by the SEBI to the extent applicable.

3. Material accounting policies

3.1 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1 April 2016);
- Certain financial assets and liabilities measured at fair value (refer accounting policy below for financial instruments);
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

The consolidated financial statements are presented in Indian Rupees which is the Group's functional and presentation currency and all amounts are rounded to the nearest Crores and two decimals thereof, except otherwise stated.

3.2 Fair value measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the consolidated balance sheet at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable.

a) Sale of goods:

Revenue from the sale of manufactured and traded goods is recognised upon transfer of control of products to the customers which coincides with their handing over the goods to the transporter and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

b) Services rendered:

Revenue from service-related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

3.4 Other Income

Interest Income

Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable. Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend income from investments is recognised when the Group's right to receive dividend is established.

3.5 Inventories

Inventories are valued as follows:

a) Raw materials, components, stores and spares:

At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

b) Work-in-progress:

At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) Finished goods:

i. Self-manufactured - At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average cost basis.

ii. Traded - At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unprocessable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

3.6 Property, plant and equipment and capital work-in-progress

a. Measurement at recognition

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Consolidated Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date.

b. Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

c. Depreciation

Depreciation on property, plant and equipment is provided on straight line method in the manner specified in Schedule II of the Companies Act, 2013 as given below and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value.

Particulars	Useful life
Factory Building	30 years
Other than factory building	60 years
Plant and machinery	7-15 years
Office equipments	5 years
Computer	3 years
Tinting machines	10-15 years
Furniture and fixtures	10 years
Vehicles	8 years
Pallets	2-5 years

Depreciation is charged on fair valued amount less estimated salvage value. Leasehold land is amortised on a straight-line basis over the remaining period of lease. Depreciation on tinting machines is basis of technical evaluation.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

3.7 Intangible Assets

a. Measurement at recognition

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

b. Amortisation

Intangible Assets with finite lives are amortized over the estimated useful economic life on straight line method.

The amortisation expense on intangible assets with finite lives is recognized in the Consolidated Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Particulars	Useful life
Computer software	6 years
Trademark	10 years
Technical Knowhow	25 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year.

c. Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Consolidated Statement of Profit and Loss when the asset is derecognised.

3.8 Leases

The Group as a lessee

The Group enters into an arrangement for lease of buildings and equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a) The contract involves the use of an identified asset;

b) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

The Group recognises a right-of-use asset (ROU asset) and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The ROU asset is subsequently measured at cost less any accumulated depreciation, and impairment losses. The ROU asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. ROU asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in consolidated profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group presents short-term leases and leases of low value assets as a separate line item in the consolidated financial statements of the Group.

The Group has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.9 Employee benefits

a. Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution plan. A defined contribution plan is a post-employment benefit plan under which the Group pays specified contributions. The Group has defined contribution plans for provident fund and employees' state insurance scheme. The Group's contribution in the above plans is recognised as an expense in the statement of profit and loss during the year in which the employee renders the related service.

b. Gratuity

Gratuity is a defined benefit plan. The liability in respect of gratuity plans is calculated annually by independent actuary using the projected unit credit method. The Group recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:

- Service costs comprising current service costs, past service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense

Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet. Remeasurements are not reclassified to profit or loss in subsequent periods.

c. Compensated absences (other long term employee benefits)

Compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the end of the year. Actuarial gains/losses are immediately recognised to the Statement of Profit and Loss. The Group presents the leave as a current liability in the consolidated balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

3.10 Share-based payments

The Group operates equity settled share-based plan for the employees (Referred to as employee stock option plan (ESOP)). ESOP granted to the employees are measured at fair value of the stock options at the grant date. Such fair value of the equity settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of equity shares that will eventually vest, with a corresponding increase in equity (share options outstanding account). At the end of each reporting period, the Group revises its estimate of number of equity shares expected to vest. The impact of the revision of the original estimates, if any, is recognised in the Statement of Profit and Loss such that cumulative expense reflects the revision estimate, with a corresponding adjustments to the share options outstanding account.

3.11 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or as expenses in the year in which they arise.

3.12 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.13 Income taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. It is recognised in consolidated profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a. Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, unused tax credits and unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including on unabsorbed losses) are re-assessed at each reporting date and are recognised to the extent that it has become probable that there is reasonable certainty with convincing evidence of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Group predominantly fall within a single operating segment, i.e., manufacturing and sale of paints. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, thus there are no additional disclosures to be provided under Ind AS 108 ‘Segment Reporting’.

3.15 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

3.17 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an

appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Group's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.18 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, plus in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are initially measured at transaction price.

For purposes of subsequent measurement, financial assets are classified as follows:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the consolidated statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated statement of Profit and Loss. This category generally applies to trade and other receivables.

b. Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Group has not designated any debt instrument in this category.

c. Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss. The Group has not designated any debt instrument in this category.

d. Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations'

applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Group measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head 'other expenses'.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method where the time value of money is significant. Interest bearing bank loans, overdrafts and issued debt are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in the statement of profit and loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Consolidated Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in Consolidated OCI. These gains/ loss are not subsequently transferred to the Consolidated Statement of Profit and Loss.

b. Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.20 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.21 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

4. Material management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where material judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

i. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of material judgments and the use of estimates regarding the outcome of future events.

b. Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, material judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Useful lives of tangible/intangible assets

The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

b. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Inventories

The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

d. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e. Allowance for expected credit loss

The Group applies Expected Credit Losses ("ECL") model for measurement and recognition of loss allowance on trade receivables. In accordance with Ind AS 109 - Financial Instruments, the Group applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 'Revenue from Contracts with Customers'.

For this purpose, the Group follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

f. Application of new and revised Indian Accounting Standard (Ind AS)

The Ministry of Corporate Affairs vide notification dated 31 March 2023 notified the Companies (Indian Accounting Standards) Amendment Rules, 2023, which amended certain accounting standards (see below), and are effective 1 April 2023:

- Disclosure of accounting policies – amendments to Ind AS 1
- Definition of accounting estimates – amendments to Ind AS 8

These amendments did not have any material impact on the Group. For the year ended 31 March 2024, MCA has not notified any new standards applicable to the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

5.1 Property, plant and equipment

Particulars	Land Free hold	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Gross carrying value								
As at 01 April 2022	**123.70**	**96.73**	**68.00**	**0.86**	**1.20**	**3.33**	**13.26**	**307.08**
Additions for the year	-	-	8.03	0.07	0.21	0.71	0.01	9.03
Disposals for the year	-	-	(0.03)	(0.07)	-	(0.02)	-	(0.12)
As at 31 March 2023	**123.70**	**96.73**	**76.00**	**0.86**	**1.41**	**4.02**	**13.27**	**315.99**
Additions for the year	-	0.45	8.13	1.33	0.77	3.19	0.86	14.73
Disposals/ other adjustment [refer note (a) below]	-	(0.32)	(6.04)	(0.72)	-	(0.54)	-	(7.62)
As at 31 March 2024	**123.70**	**96.86**	**78.09**	**1.47**	**2.18**	**6.67**	**14.13**	**323.10**
Accumulated depreciation								
As at 01 April 2022	**-**	**18.47**	**27.25**	**0.49**	**0.32**	**2.30**	**4.50**	**53.33**
Depreciation for the year	-	3.19	6.14	0.04	0.15	0.33	0.78	10.63
Disposals for the year	-	-	(0.02)	(0.04)	-	(0.01)	-	(0.07)
As at 31 March 2023	**-**	**21.66**	**33.37**	**0.49**	**0.47**	**2.62**	**5.28**	**63.89**
Depreciation for the year	-	3.22	7.80	0.21	0.23	0.72	0.48	12.66
Disposals/ other adjustment [refer note (a) below]	-	(0.23)	(5.91)	(0.70)	-	(0.54)	-	(7.38)
As at 31 March 2024	**-**	**24.65**	**35.26**	**-**	**0.70**	**2.80**	**5.76**	**69.17**
Net carrying value								
Balance as at 31 March 2023	123.70	75.07	42.63	0.37	0.94	1.40	7.99	252.10
Balance as at 31 March 2024	123.70	72.21	42.83	1.47	1.48	3.87	8.37	253.93

Notes:

a) During the current year ended 31 March 2024, the management of the Group made detailed assessment of the recoverability of carrying value of tinting machines (included in plant and machinery), office equipment and furniture and fixtures, on the basis of internal and external sources of the information including market conditions. On the basis of such assessment, the management has impaired the carrying value of such property, plant and equipment by Rs. 0.83 crores.

b) Refer note 20 and note 24 for details regarding property, plant and equipment which are pledged as security.

c) Refer note 42B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

d) All the title deeds of the immovable properties are held in the name of the Group.

e) This includes land at Goaberia (adjacent to Howrah plant) amounting to Rs. 4.50 crores given as security to Tara Properties Private Limited. Refer note 54.

5.2 Right-of-use assets

Particulars	Buildings Lease hold	Land Lease hold	Total Lease Assets
Gross carrying value			
As at 01 April 2022	**4.10**	**16.91**	**21.01**
Additions for the year	0.68	**-**	0.68
Disposals for the year	(0.42)	-	(0.42)
As at 31 March 2023	**4.36**	**16.91**	**21.27**
Additions for the year	2.84	-	2.84
Disposals for the year	(0.25)	-	(0.25)
As at 31 March 2024	**6.95**	**16.91**	**23.86**
Accumulated depreciation			
As at 01 April 2022	**2.28**	**1.06**	**3.34**
Depreciation for the year	0.99	0.26	1.25
As at 31 March 2023	**3.27**	**1.32**	**4.59**
Depreciation for the year	1.09	0.26	1.35
As at 31 March 2024	**4.36**	**1.58**	**5.94**
Net carrying value			
Balance as at 31 March 2023	1.09	15.59	16.68
Balance as at 31 March 2024	2.59	15.33	17.92

6 Capital work-in-progress

Particulars	Amount
Gross carrying value	
As at 01 April 2022	**0.17**
Additions for the year	10.11
Capitalised during the year	(8.67)
As at 31 March 2023	**1.61**
Additions for the year	46.34
Capitalised during the year	(14.28)
As at 31 March 2024	**33.67**

Ageing of capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Projects in progress	33.51	0.16	-	-	33.67
Total	**33.51**	**0.16**	**-**	**-**	**33.67**
As at 31 March 2023					
Projects in progress	1.54	-	0.07	-	1.61
Total	**1.54**	**-**	**0.07**	**-**	**1.61**

Note:

There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

7.1 Intangible assets

Particulars	Computer Software	Technical Know How	Trade Mark	Total
Gross carrying value				
As at 01 April 2022	**6.84**	**0.68**	**0.50**	**8.02**
Additions for the year	0.02	-	-	0.02
As at 31 March 2023	**6.86**	**0.68**	**0.50**	**8.04**
Additions for the year	0.38	-	-	0.38
As at 31 March 2024	**7.24**	**0.68**	**0.50**	**8.42**
Accumulated amortisation				
As at 01 April 2022	**3.16**	**0.25**	**0.47**	**3.88**
Amortisation for the year	0.80	0.02	-	0.82
As at 31 March 2023	**3.96**	**0.27**	**0.47**	**4.70**
Amortisation for the year	0.81	0.02	-	0.83
As at 31 March 2024	**4.77**	**0.29**	**0.47**	**5.53**
Net carrying value				
Balance as at 31 March 2023	2.90	0.41	0.03	3.34
Balance as at 31 March 2024	2.47	0.39	0.03	2.89

7.2 Intangible assets under development

Particulars	Amount
Gross carrying value	
As at 01 April 2022	-
Additions for the year	0.10
As at 31 March 2023	**0.10**
Additions for the year	1.17
As at 31 March 2024	**1.27**

Ageing of intangible assets under development is as follows:

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024					
Projects in progress	1.17	0.10	-	-	1.27
Total	**1.17**	**0.10**	**-**	**-**	**1.27**
As at 31 March 2023					
Projects in progress	0.10	-	-	-	0.10
Total	**0.10**	**-**	**-**	**-**	**0.10**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

8 Non-current investments

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares/units	Amount	No. of Shares/units	Amount
A. Investment in others in fully paid equity shares (at FVTPL) (unquoted)				
(i) Woodlands Multispeciality Hospital Limited				
Fully paid up shares of Rs.10 each	**2,350**	0.00	**2,350**	0.00
Total		**0.00**		**0.00**
Grand Total		**0.00**		**0.00**
Aggregate amount of unquoted investments		**0.00**		**0.00**
Aggregate amount of impairment in the value of investments		**-**		**-**

9 Other non-current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Financial assets at amortised cost		
Security deposits	1.31	1.17
Balance in deposits with maturity of more than 12 months*	0.35	0.25
Total	**1.66**	**1.42**

* These deposits includes items held as security against letter of credits.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

10 Non-current tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Advance income tax (net of provision for income tax)	3.89	2.99
Total	**3.89**	**2.99**

11 Other non-current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Prepaid expenses	0.17	0.16
Capital advances	9.21	1.05
Total	**9.38**	**1.21**

12 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2024	As at 31 March 2023
Raw material	33.36	36.39
Work-in-progress	7.82	5.81
Finished goods	72.13	68.33
Stores and spares	3.17	3.05
Total	**116.48**	**113.58**

Notes:

a) Finished goods Rs. 72.13 crores (31 March 2023: Rs. 68.33 crores) is shown net off provision for obsolete, slow moving and damaged inventory of Rs. 4.98 crores (31 March 2023: Rs. 3.23 crores) made in respect of non-processable inventory and adjustments on account of physical verification performed by the Group.

b) Finished goods includes trading goods Rs. 6.59 crores (31 March 2023: Rs. 5.73 crores) and goods-in-transit Rs. 4.34 crores (31 March 2023: Rs. 2.05 crores).

c) The cost of inventories recognised as an expense during the year is disclosed in notes 32, 33 and 34.

d) Refer notes 20 and 24 for information on inventory pledged as security by the Group.

e) Finished goods includes stock-in-trade.

13 Trade receivables

Particulars	As at 31 March 2024	As at 31 March 2023
-Considered good - Secured	-	-
-Considered good - Unsecured	109.85	107.52
-Which have significant increase in credit risk	-	-
-Credit impaired	5.90	7.70
	115.75	115.22
Less: Allowance for expected credit loss	(5.90)	(7.70)
Total	**109.85**	**107.52**

Notes:

(i) For trade receivables from related parties, refer note 48.

(ii) Trade receivables are non interest bearing and credit period generally falls in the range of 0 to 120 days.

(iii) Refer note 20 and note 24 for information on trade receivables pledged as security by the Group and details of factoring arrangements for trade receivables.

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(v) No trade or other receivables are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 48.

(vi) Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Group applies lifetime expected credit loss model for measurement of trade receivables.

Ageing schedule of trade receivables as at 31 March 2024 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	84.71	19.08	4.50	1.56	-	-	**109.85**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	2.75	0.71	0.18	0.37	0.77	1.00	**5.78**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	0.12	**0.12**
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	**-**
	Gross trade receivables	**87.46**	**19.79**	**4.68**	**1.93**	**0.77**	**1.12**	**115.75**
	Less: Allowance for expected credit loss	2.75	0.71	0.18	0.37	0.77	1.12	**5.90**
	Total	**84.71**	**19.08**	**4.50**	**1.56**	**-**	**-**	**109.85**

Ageing schedule of trade receivables as at 31 March 2023 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	85.70	18.72	1.95	1.15	-	-	**107.52**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	2.64	0.34	0.53	0.30	1.11	2.32	**7.24**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivables- credit impaired	-	-	0.11	0.23	-	0.12	**0.46**
	Gross trade receivables	**88.34**	**19.06**	**2.59**	**1.68**	**1.11**	**2.44**	**115.22**
	Less: Allowance for expected credit loss	2.64	0.34	0.64	0.53	1.11	2.44	**7.70**
	Total	**85.70**	**18.72**	**1.95**	**1.15**	**-**	**-**	**107.52**

14.1 Cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Balance with banks in current accounts	12.35	21.21
Cash on hand	0.00	0.00
Balance in deposits with original maturity of less than 3 months	38.00	-
Total	**50.35**	**21.21**

There are no repatriation restrictions with regard to cash and cash equivalents as at the reporting year and the previous year.

14.2 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2024	As at 31 March 2023
Deposits with bank held as margin money	0.00	0.00
Deposits with original maturity of more than 3 months but less than 12 months	5.83	2.21
Total	**5.83**	**2.21**

15 Other current financial assets

Particulars	As at 31 March 2024	As at 31 March 2023
Unsecured and considered good		
Security deposits	1.18	0.85
Other receivables	1.05	1.13
Interest accrued on term deposits	0.96	2.63
Advance to employees	0.05	0.10
Balance in deposits with remaining maturity of less than 12 months	46.81	82.94
Total	**50.05**	**87.65**

16 Current tax assets

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax assets	-	1.00
Total	**-**	**1.00**

17 Other current assets

Particulars	As at 31 March 2024	As at 31 March 2023
Advances to suppliers	4.30	3.71
Advance to employees	0.95	0.51
Prepaid expenses	1.05	1.11
Balance with government authorities	6.09	5.72
Total	**12.39**	**11.05**

18 Equity share capital

Particulars	As at 31 March 2024	As at 31 March 2023
Authorised share capital		
100,000,000 (31 March 2023: 100,000,000) equity shares of Rs. 2/- each	20.00	20.00
Issued, subscribed and fully paid up		
8,37,11,178 (31 March 2023: 72,216,926) equity shares of Rs. 2/- each	16.74	14.44
Share forfeiture account	0.00	0.00
Total	**16.74**	**14.44**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Notes:

(i) **Reconciliation of number of shares and share capital outstanding at the beginning and end of the year -**

Particulars	As at 31 March 2024		As at 31 March 2023	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning	7,22,16,926	14.44	7,22,16,926	14.44
Add: Preferential allotment (refer note (iii) below)	1,14,94,252	2.30	-	-
Balance at the end	**8,37,11,178**	**16.74**	**7,22,16,926**	**14.44**

(ii) **Terms/rights attached to equity shares**

The Group 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 Group after distribution of all preferential amounts, in proportion to their shareholding.

(iii) During the year, on 11 October 2023, the Group has made preferential allotment of 11,494,252 equity shares of face value Rs. 2 each at the price of Rs. 130.50 per share (including premium of Rs. 128.50 per share) aggregating to Rs. 150.00 crores [equity share capital Rs. 2.30 crores and securities premium Rs. 147.70 crores (refer note 19)] to JSL Limited, Hella Infra Market Private Limited and Virtuous Tradecorp Private Limited pursuant to members approval at an extra-ordinary general meeting held on 31 March 2022. The objective to raise additional funds was to strengthen the Group's Balance Sheet, and have access to long-term resources to meet the Group's growth requirements and for general corporate purposes. Funds amounting to Rs. 97.50 crores and Rs. 1.42 crores have been utilised for repayment of working capital facilities of various banks and term loan of IDFC Bank Limited respectively. Balance funds are invested in fixed deposits and cash and cash equivalents amounting to Rs. 46.35 crores and 4.63 crores respectively.

(iv) **Details of shareholders holding more than 5% shares in the Group***

Name of Shareholder	As at 31 March 2024		As at 31 March 2023	
	No. of shares held	% of holding	No. of shares held	% of holding
Virtuous Tradecorp Private Limited	1,12,07,573	13.39%	1,33,54,462	18.49%
Mrs. Veera Gupta	22,74,658	2.72%	46,82,952	6.48%
Hella Infra Market Private Limited	4,42,42,921	52.85%	1,80,45,745	24.99%

Hella Infra Market Private Limited has become holding Company during the current financial year.

*As per the records of the Group, including its register of members.

(v) **Details of shares held by promoters at the end of the year**

Promoter Name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of shares held	% Change during the year	No. of shares	% of shares held	% Change during the year
Hella Infra Market Private Limited *	4,42,42,921	52.85%	27.86%	1,80,45,745	24.99%	0.09%
Hina Devi Goyal	60	0.00%	-0.07%	50,000	0.07%	0.00%
Kusum Mittal	-	0.00%	-0.07%	50,000	0.07%	0.00%
Sminu Jindal	12,468	0.01%	0.00%	12,468	0.02%	0.00%
Sarita Devi Jain	-	0.00%	-0.03%	20,000	0.03%	0.00%
Sangita Jindal	31,000	0.04%	-0.01%	31,000	0.04%	0.00%
Deepika Jindal	89,062	0.11%	-0.02%	89,062	0.12%	0.00%
Savitri Devi Jindal	36,515	0.04%	-0.01%	36,515	0.05%	0.00%
Hind Strategic Investments	-	0.00%	0.00%	-	0.00%	0.00%
Urvi Jindal	1,65,545	0.20%	-0.03%	1,65,545	0.23%	0.00%
Arti Jindal	10	0.00%	-0.12%	85,500	0.12%	0.12%
R K Jindal & Sons HUF	30,750	0.04%	-0.01%	30,750	0.04%	0.00%
P R Jindal HUF	14,606	0.02%	0.00%	14,606	0.02%	0.00%

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
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Promoter Name	As at 31 March 2024			As at 31 March 2023		
	No. of shares	% of shares held	% Change during the year	No. of shares	% of shares held	% Change during the year
S K Jindal & Sons HUF	12,300	0.01%	0.00%	12,300	0.02%	0.00%
Naveen Jindal & Sons HUF	36,515	0.04%	-0.01%	36,515	0.05%	0.00%
Prithavi Raj Jindal	-	0.00%	0.00%	-	0.00%	-0.12%
Sarika Jhunjhnuwala	-	0.00%	-3.80%	27,43,141	3.80%	0.00%
Shivang Jhunjhnuwala	-	0.00%	-1.83%	13,20,723	1.83%	0.00%
Surya Kumar Jhunjhnuwala	-	0.00%	-1.28%	9,23,286	1.28%	0.00%
Ritu Jhunjhnuwala	-	0.00%	-1.93%	13,94,289	1.93%	0.00%
Gaurang Surya Jhunjhnuwala	-	0.00%	-1.93%	13,94,289	1.93%	0.00%
Ratan Jindal	-	0.00%	0.00%	-	0.00%	0.00%
OPJ Trading Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
Nalwa Investments Limited	2,70,569	0.32%	-0.05%	2,70,569	0.37%	0.00%
Mansarover Tradex Limited	52,500	0.06%	-0.01%	52,500	0.07%	0.00%
Stainless Investments Limited	82,500	0.10%	-0.02%	82,500	0.11%	0.00%
Sun Investments Private Limited	82,500	0.10%	-0.02%	82,500	0.11%	0.00%
Jindal Equipment Leasing and Consultancy Services Limited	1,02,500	0.12%	-0.02%	1,02,500	0.14%	0.00%
Colorado Trading Co. Pvt. Ltd.	12,24,635	1.46%	-0.23%	12,24,635	1.70%	0.00%
Hexa Securities and Finance Co. Ltd.	15,00,000	1.79%	-0.29%	15,00,000	2.08%	0.00%
Abhinandan Tradex Limited	55,000	0.07%	-0.01%	55,000	0.08%	0.00%
Gagan Infraenergy Limited	500	0.00%	0.00%	500	0.00%	0.00%
Nalwa Sons Investments Limited	13,72,590	1.64%	-0.26%	13,72,590	1.90%	0.00%
Opelina Sustainable Services Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
Virtuous Tradecorp Private Limited	1,12,07,573	13.39%	-5.10%	1,33,54,462	18.49%	0.00%
JSL Limited	26,81,992	3.20%	-0.01%	23,21,983	3.22%	0.00%
Systran Multiventures Private Limited	100	0.00%	0.00%	100	0.00%	0.00%
PRJ Family Management Company Private Limited (as trustee of PRJ Holdings Private Trust)	85490	0.10%	0.10%	0	0.00%	0.00%

*Pursuant to the completion of open offer by Hella Infra Market Private Limited ("Hella Infra") to the eligible shareholders of Shalimar Paints Limited (the "Company"), Hella Infra has become one of the promoters of the Company w.e.f. 11 March 2024.

**The above list of promoters is as per Section 2(69) of the Act.

(vi) For the period of five years immediately preceeding the date as at which the Balance Sheet is prepared, the Group has not issued any shares without payment being received in cash or issued as fully paid up by way of bonus shares. Further, there has been no buy back of shares during the aforesaid period.

19 Other equity

Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium	611.60	463.90
Share options outstanding account	1.91	-
General reserve	40.62	40.62
Retained earnings	(388.66)	(314.87)
Revaluation reserve	108.71	108.71
Capital reserve	2.25	-
Equity portion of optionally convertible debentures (OCD)	-	2.25
Money received against share warrants	-	37.50
Total	**376.44**	**338.11**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
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Particulars	As at 31 March 2024	As at 31 March 2023
Securities premium		
Balance at the beginning of the year	463.90	463.90
Add: Premium received on issue of equity shares	147.70	-
Balance at the end of the year	**611.60**	**463.90**
Share options outstanding account		
Balance at the beginning of the year	-	0.05
Add: Employee stock option expense	1.91	-
Less: Employee stock option expense reversal	-	0.05
Balance at the end of the year	**1.91**	**-**
General reserve		
Balance at the beginning and at the end of the year	**40.62**	**40.62**
Retained earnings		
Balance at the beginning of the year	(314.87)	(279.17)
Add: Loss for the year	(73.85)	(36.15)
Add: Other comprehensive income for the year		
Remeasurement gain on defined benefit plans	0.06	0.45
Balance at the end of the year	**(388.66)**	**(314.87)**
Revaluation reserve		
Balance at the beginning and at the end of the year	**108.71**	**108.71**
Equity portion of optionally convertible debentures		
Balance at the beginning of the year	2.25	2.25
Less: Transfer of equity portion to capital reserve on repayment	2.25	-
Balance at the end of the year	**-**	**2.25**
Capital reserve		
Balance at the beginning of the year	-	-
Add: Transfer of equity portion of OCD on repayment	2.25	-
Balance at the end of the year	**2.25**	**-**
Money received against share warrants		
Balance at the beginning of the year	37.50	-
Add: Addition during the year	-	37.50
Less: Transfer of money received against share warrants on issue of equity shares	37.50	-
Balance at the end of the year	**-**	**37.50**
Total	**376.44**	**338.11**

i. Securities premium

The above reserve is used to record the premium on issue of shares. The reserve is utiilised in accordance with the provisions of the Act.

ii. Share options outstanding account

The above reserve relates to the share options granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 49.

iii. General reserve

General reserve is created from time to time by way of transfer profits from retained earnings for appropriation purposes. It is created by a transfer from one component of equity to another and is not an item of other comprehensive income.

iv. Retained earnings

Retained earnings are created from the profit/ loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

v. Revaluation reserve

Revaluation reserve is on account of revaluation of land at various locations and other assets at the time of Ind AS transition.

vi. Equity portion of optionally convertible debentures (OCD)

During the year ended 31 March 2022, as per debenture subscription agreement dated 18 January 2022, the Holding Company had issued 3,055,556 unlisted, unsecured optionally convertible debentures of the face value of Rs. 180 each aggregating to Rs. 55.00 crores by way of preferential allotment on private placement basis. The said debentures were carrying interest @ 9% p.a. (payable quarterly) and were optionally convertible into 3,055,556 equity shares at the discretion of debenture holder if the closing listed price of equity shares breaches the issue price of debenture on or before 23 August 2023. During the year, the equity portion of the debentures, earlier recognised, has been transferred to capital reserve on repayment on 22 August 2023.

vii. Money received against share warrants

Money received against share warrants is the amount received by the Group which is converted into shares at a specified rate. These warrants are carrying a right to subscribe one equity share per warrant. The price of the warrants have been determined in accordance with the ICDR Regulations.

20 Non-current borrowings at amortised cost

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Term loans :		
- from banks	31.74	28.59
- from others (vehicle loan)	0.68	0.46
Unsecured		
- Optionally convertible debentures from related party (refer note 48)	-	54.33
	32.42	**83.38**
Less: Current maturities of long - term borrowings (refer note 24)	12.04	68.76
Total	**20.38**	**14.62**

Notes:

a) During the previous year, as per debenture subscription agreement dated 18 January 2022, the Holding Company had issued 3,055,556 unlisted, unsecured optionally convertible debentures of the face value of Rs. 180 each aggregating to Rs. 55.00 crores by way of preferential allotment on private placement basis. The said debentures were carrying interest @ 9% p.a. (payable quarterly) and were optionally convertible into 3,055,556 equity shares at the discretion of debenture holder on or before 23 August 2023 when the closing listed price of shares breaches the issue price of debenture. Such debentures have been repaid on 22 August 2023.

b) There is no default in repayments of principal borrowings or interest thereon.

c) The term loans have been used for the specific purpose for which they are availed.

Term loans from banks

Particular of Loan	As at 31 March 2024	As at 31 March 2023	Rate of interest %	Installments starting on	Installments ending on	Repayment mode	No. of installments
Term loan from Union Bank of India Limited. (UBI)	0.45	0.95	MCLR +0.60% p.a	28-Feb-2022	31-Jan-2025	Monthly	48
Union Guaranteed Emergency Credit Line (UGECL-2) scheme from Union Bank of India Limited. (UBI-GECL 2)	1.83	2.51	MCLR +0.60% or 9.25% whichever is lower p.a	31-Jul-2022	30-Jun-2025	Monthly	48
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from Punjab National Bank Limited. (PNB)	1.13	1.70	MCLR +1.00% p.a	30-Apr-2022	31-Mar-2026	Monthly	48
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from State Bank of India Limited. (SBI)	3.65	6.09	MCLR +1.00% p.a	30-Apr-2022	30-Sep-2025	Monthly	48

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Particular of Loan	As at 31 March 2024	As at 31 March 2023	Rate of interest %	Installments starting on	Installments ending on	Repayment mode	No. of installments
Term loan from IDFC First Bank Limited**#	7.47	17.34	13.05% (31 March 2023 -12.01% to 13.05%) p.a	14-Mar-2022	14-Dec-2024	Quarterly	12
Term loan from IDFC First Bank Limited@	17.21	-	11.05% (31 March 2023 -Nil) p.a	17-Apr-2026	16-Jan-2029	Quarterly	12

These loans are secured by:

(1) Primary Security (UBI,PNB,SBI, UBI-GECL 2)

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Holding Company.

(2) Collateral Security (UBI,PNB,SBI)

(i) first charge, by way of hypothecation of plant and machinery & movable assets at the Holding Company's factory situated at Howrah, West Bengal;

(ii) first charge, by way of equitable mortgage of land and building, and hypothecation of plant & machinery, other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra;

(iii) second charge, ranking pari passu, on the fixed assets of the Holding Company at its factory situated at Sikandrabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets & land and building of the Holding Company situated at village - Chinnapuliyur, Taluka- Gummidipoondi , District- Tiruvallur, Tamil Nadu.

(3) Collateral Security (UBI-GECL 2)

(i) 2nd charge on the immovable properties of the Holding Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

(ii) 2nd charge on entire movable fixed assets of the Holding Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

**1st pari passu charge on movable fixed assets of the Holding Company and exclusive charge on commercial land owned by Shalimar Adhunik Nirman Limited (subsidiary company) in Gurugram and commercial office of Holding Company in Mumbai.

***Exclusive charge on commercial land owned by Shalimar Adhunik Nirman Limited (subsidiary company) in Gurugram, commercial office of Holding Company in Mumbai, and assets created out of this term loan; subservient charge on current assets and movable fixed assets; DSRA equivalent to one quarter's princpal and interest payment; and corporate guarantee of Shalimar Adhunik Nirman Limited.

In December 2021, the Group has raised term loan amounting to Rs. 30.00 crores from IDFC First Bank Limited. Interest on the said loan is payable quarterly @ 13.05% (31 March 2023: 12.01% to 13.05%) p.a.

@ In December 2023, the Group has raised term loan amounting to Rs. 17.46 crores, with sanction limit amounting to Rs. 35.00 crores from IDFC First Bank Limited. Interest on the said loan was payable monthly @ 11.05% p.a.

Vehicle loans#

Particular of Loan	As at 31 March 2024	As at 31 March 2023	Rate of interest %	Installments starting on	Installments ending on	Repayment mode	No. of installments
Vehicle loan from Toyota Financial Service India Limited	-	0.07	9.50% p.a	20-Feb-2019	20-Jan-2024	Monthly	60
Vehicle loan from Toyota Financial Service India Limited	0.02	0.04	8.90% p.a	10-Feb-2020	10-Jan-2025	Monthly	60
Vehicle Loan from Tata Motors Finance Limited	0.22	0.35	10.04% p.a to 10.90% p.a	11-Nov-2020	11-Sep-2025	Monthly	59
Vehicle Loan from Tata Motors Finance Solution Limited	0.44	-	10.05% p.a	15-Jun-2023	15-Apr-2026	Monthly	35

Secured by vehicle financed.

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21 Non-current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 44)	1.49	0.35
Total	**1.49**	**0.35**

22 Other non-current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Security deposits	0.22	0.10
Total	**0.22**	**0.10**

23 Non-current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Provision for employee benefits		
Defined benefit liability (net) (refer note 43)	6.74	5.65
Other long term employee obligations (refer note 43)	0.82	0.37
Total	**7.56**	**6.02**

24 Current borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Secured		
Loans repayable on demand		
- From banks (cash credit and working capital demand loan)	59.48	18.19
Current maturities of long-term debt (refer note 20)	12.04	68.76
Unsecured		
Loans repayable on demand		
- Bill discounting*	11.30	37.32
Total	**82.82**	**124.27**

*The Group has availed letter of credit facility from State Bank of India Limited and Punjab National Bank Limited for payment to its vendors, against which the monies were yet to be paid by the banks as at 31 March 2024 and 31 March 2023. As at 31 March 2023, the Group has also availed the facility of factoring arrangement from other banks for payment to its vendors. The Group derecognizes the payables from its books and a corresponding liability towards the banks is recognised in respect of aforementioned amounts payable by the Group to the banks. Amount of facilities availed as at 31 March 2024 and 31 March 2023 are:

Particulars	As at 31 March 2024	As at 31 March 2023
State Bank of India Limited	6.40	9.01
Punjab National Bank Limited	4.90	4.51
Axis Bank Limited	-	4.21
IDFC Bank Limited	-	8.33
Kotak Bank Limited	-	11.26

Cash credit and working capital demand loans from banks

Particular of Loan	Rate of interest	As at 31 March 2024	As at 31 March 2023
Working capital facilties	Ranges from 10.90% p.a. to 13.35% p.a.	31.04	8.32
Bank overdrafts	Ranges from 6.60% p.a. to 7.20% p.a.	28.44	9.87

Particular of Loan	Rate of interest	As at 31 March 2024	As at 31 March 2023
State Bank of India Limited	6 Month MCLR +2.75% p.a	10.18	3.36
Punjab National Bank Limited	MCLR +4.50%	10.66	4.96
HDFC Bank Limited	1 year MCLR + spreads	10.20	-
Union Bank of India Limited	1 year MCLR + 4.30%	28.44	9.87

These loans are secured by:

(1) Primary security

Hypothecation charge on entire current assets of the Group on pari-passu basis with other banks under consortium banking arrangements.

(2) Collateral security:

(i) Pari passu first hypothecation charge on factory land and building of the Group with other consortium members, situated at the Group's factory at Gate No.121 (1850 sq mt), 126 (3300 sq mt), 127 (16500 sq mt), 132 (4500 sq mt), 133 (20500 sq mt), 134 (8000 sq mt) & 141 (7550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Group. (Total Land area: 62200 sq.mt)

(ii) Pari passu first charge with other consortium member banks over plant & machinery at the Nashik Plant.

(iii) Pari passu first hypothecation charge with consortium on the plant and machinery of the Group at Howrah factory.

(iv) Pari passu second hypothecation charge with consortium members on the entire fixed assets and land and building at Survey Nos.1A1B (3.49 acres), 3/2 (3.32 acres), 3/1(1.50 acres), 15/1A(0.28 acre), 15/1B (0.16 acre), 15/1C (0.14 acre), No.19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu, Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), Admeasuring Total Area: 8.89 Acres.

(v) Pari passu second hypothecation charge with the consortium members on the entire fixed assets at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad Admeasuring: 41,242 sq mt land.

25 Lease liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Lease liabilities (refer note 44)	1.19	0.83
Total	**1.19**	**0.83**

26 Trade payables

Particulars	As at 31 March 2024	As at 31 March 2023
Total outstanding dues to micro enterprises and small enterprises*	11.77	10.11
Total outstanding dues to trade payables other than micro and small enterprises	122.96	89.91
Total	**134.73**	**100.02**

Notes:

*Includes interest payable to Micro, Small and Medium Enterprises (MSME) amounting to Rs. 2.64 crores (31 March 2023: Rs. 1.23 crores).

(i) For balance payable to related parties (Refer note 48).

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Ageing of trade payables as at 31 March 2024 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	7.22	4.40	0.01	-	0.14	**11.77**
(ii)	Total outstanding dues of micro enterprises and small enterprises	33.55	59.85	27.68	0.48	0.12	1.28	**122.96**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	Total	**33.55**	**67.07**	**32.08**	**0.49**	**0.12**	**1.42**	**134.73**

Ageing of trade payables as at 31 March 2023 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	4.72	5.39	-	-	-	**10.11**
(ii)	Total outstanding dues of micro enterprises and small enterprises	16.07	34.83	35.50	0.22	0.31	2.98	**89.91**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	Total	**16.07**	**39.55**	**40.89**	**0.22**	**0.31**	**2.98**	**100.02**

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group:

Particulars	As at 31 March 2024	As at 31 March 2023
Principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	11.77	10.11
Interest due on above remaining unpaid to any supplier as as at the end of each accounting year	1.12	0.11
Interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year*	70.97	43.51
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act**	0.29	0.42
The amount of interest accrued and remaining unpaid at the end of each accounting year.	2.64	1.23
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a (deductible expenditure under section 23 of MSMED Act, 2006).	2.64	1.23

Note:

* Includes principal amounting to Rs. 70.97 crores (31 March 2023: Rs. 43.51crores).

** During the previous year, the Group had reversed MSME interest amounting to Rs. 1.94 crores.

27 Other current financial liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Interest accrued but not due	0.01	-
Payable for capital expenditure	1.03	0.31
Employee related payables	7.03	5.14
Other payables*	1.81	1.37
Total	**9.88**	**6.82**

*Other payables includes retention money and stale cheques.

28 Other current liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Contract balances		
Advances from customers	2.25	1.17
Statutory dues	4.07	3.55
Total	**6.32**	**4.72**

29 Current provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Defined benefit liability (net) (refer note 43)	1.19	2.51
Other long term employee obligations (refer note 43)	0.37	0.91
Other provisions*	7.75	7.47
Total	**9.31**	**10.89**

*The Group has created provision in relation to eviction matter, excise duty, DGFT and other ongoing legal matters aggregating to Rs. 7.75 crores (31 March 2023: Rs. 7.46 crores).

Movement in other provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Balance as at beginning of the year	7.47	7.43
Provision made during the year	0.28	0.04
Provision utilised during the year	-	-
Balance as at the year end	**7.75**	**7.47**

30 Revenue from operations

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Sale of products	527.78	478.07
Rendering of services	2.80	3.88
Total (A)	**530.58**	**481.95**
Other operating revenues		
Scrap sale	4.25	1.78
Export incentive	0.08	0.08
Total (B)	**4.33**	**1.86**
Total operating income (A+B)	**534.91**	**483.81**

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by timing and geography of recognition.

Revenue by time:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised at point in time	527.78	478.07
Revenue recognised over time	2.80	3.88
	530.58	**481.95**

Revenue by geographical market:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue from customers		
India	517.64	469.47
Outside India	12.94	12.48
	530.58	**481.95**

(b) Changes in contract liabilities balances during the year are as follows:

Ind AS 115, 'Revenue from contracts with customers' also requires disclosure of revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year. Same has been disclosed as below:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year	1.17	2.20

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is recognised as revenue at a point of time. Significant changes in the contract liabilities balance during the year as follows:

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Opening balance	**1.17**	**2.20**
Addition during the year	2.25	1.17
Revenue recognised during the year	(1.17)	(2.20)
Closing balance	**2.25**	**1.17**

(c) Contract balances

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Advance from customers	2.25	1.17
	2.25	**1.17**

(d) Reconciliation of revenue recognised in statement of profit and loss with contract price

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Contract price	619.53	540.32
Less: Discount	(91.75)	(62.25)
	527.78	**478.07**

(e) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

Revenue of Rs. 64.76 crores (31 March 2023: Rs. 50.46 crores) is derived from one customer, who individually accounted for more than ten percent of total revenue.

31 Other income

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest income on items at amortised cost		
Fixed deposit with banks carried at amortised cost	5.73	4.95
Others	0.57	0.13
Other non-operating income on items at amortised cost		
Net gain on foreign curency transactions and translation	0.17	0.11
Profit on disposal of property, plant and equipment	1.35	
Miscellaneous receipts	0.30	2.02
Total	**8.12**	**7.21**

32 Cost of materials consumed

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Cost of materials consumed	362.77	345.56
Total	**362.77**	**345.56**

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the beginning of the year	36.39	33.45
Add: Purchases during the year	359.74	348.50
	396.13	**381.95**
Less: Inventories at the end of the year	33.36	36.39
Total	**362.77**	**345.56**

33 Purchases of stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Purchases of stock-in-trade	30.80	24.48
Total	**30.80**	**24.48**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

34 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Inventories at the end of the year		
Work-in-progress	7.82	5.81
Finished goods*	72.13	68.33
Total (A)	**79.95**	**74.14**
Inventories at the beginning of the year		
Work-in-progress	5.81	4.96
Finished goods*	68.33	55.74
Total (B)	**74.14**	**60.70**
Increase in inventory (B-A)	**(5.81)**	**(13.44)**

*Finished goods includes stock-in-trade

35 Employee benefits expense

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Salaries, wages and bonus*	70.62	48.99
Contribution to provident and other funds	5.20	4.00
Staff welfare expenses	1.29	0.89
Total	**77.11**	**53.88**

* This includes employee stock option expense of Rs. 1.91 crores (31 March 2023: Rs. (0.05) crores) (refer note 49).

36 Finance cost

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Interest expenses on items at amortised cost		
-On cash credit and working capital demand loan	7.23	8.31
-On term loan	2.86	4.16
Other borrowing costs	2.68	3.24
Interest on lease liabilities	0.19	0.19
Total	**12.96**	**15.90**

37 Depreciation, amortisation and impairment expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation and impairment on property, plant and equipment	12.66	10.64
Depreciation on right-of-use assets	1.35	1.25
Amortisation on intangible assets	0.83	0.82
Total	**14.84**	**12.71**

38 Other expenses

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Consumption of stores and spare parts	1.96	2.21
Power and fuel	7.47	6.05
Rent (refer note 44)	4.91	3.23
Repairs to building	0.22	0.12
Repairs to plant and machinery	3.25	2.50
Repairs - others	1.29	1.35
Insurance	2.53	1.73
Rates and taxes	1.83	2.92
Printing and stationery	0.55	0.36
Communication expenses	1.07	0.70
Payment to auditors (refer table A below)	0.48	0.28
Warehouse management charges	0.36	0.30
Travelling expenses	11.12	7.91
Application charges	3.60	3.87
Freight	41.66	28.23
Loss on disposal of property, plant and equipment	-	0.01
Marketing expenses	12.05	4.23
Contractual labour charges	19.17	12.91
Carrying and forwarding agent	1.40	1.03
Legal and professional charges	4.21	3.68
Recruitment expenses	0.94	0.78
Other welfare expenses	1.54	1.16
Miscellaneous expenses	2.60	2.52
Total	**124.21**	**88.08**

Table A		
Payment to statutory auditors		
Statutory audit fee	0.42	0.26
Certification fee and other services	0.01	-
Reimbursement of expenses	0.05	0.02
Total	**0.48**	**0.28**

39 Deferred tax

Particulars	As at 31 March 2024	As at 31 March 2023
A Income tax recognised in the Statement of Profit and Loss		
Current tax	-	-
Adjustment of tax relating to earlier years	-	-
Deferred tax (credit)/charge	-	-
Income tax expense reported in the Consolidated Statement of Profit and Loss	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

B Reconciliation of tax expense between accounting profit at applicable tax rate and effecive tax rate:

Particulars	As at 31 March 2024	As at 31 March 2023
Accounting profit before income tax	**(73.85)**	**(36.15)**
Tax expense at statutory income tax rate of 26.00% (31 March 2023: 26.00%)	(19.20)	(9.39)
Non-deductible expenses	0.38	0.05
Unrecognised deferred tax asset on tax losses and unabsorbed depreciation*	18.82	9.34
Income tax expense at effective tax rate reported in the Consolidated Statement of Profit and Loss	-	-

*As at 31 March 2024 and 31 March 2023, the Group is having significant carry forward losses and unabsorbed depreciation under tax laws. Therefore, in the absence of convincing evidences that sufficient taxable profits will be available against which such carry forward losses and unabsorbed depreciation shall be utilised, the Group has not recognised deferred tax assets.

C Deductible temporary differences for which no deferred tax asset is recognised in the Consolidated Balance Sheet:

Particulars	Year of expiry	As at 31 March 2024	As at 31 March 2024 Tax impact @ 26.00%	As at 31 March 2023	As at 31 March 2023 Tax impact @ 26.00%
Tax Losses	31-Mar-23	-	-	1.78	0.46
	31-Mar-25	5.25	1.37	5.25	1.37
	31-Mar-26	46.12	11.99	46.12	11.99
	31-Mar-27	71.92	18.70	71.92	18.70
	31-Mar-28	18.11	4.71	18.11	4.71
	31-Mar-29	17.63	4.58	17.63	4.58
	31-Mar-30	53.60	13.94	53.60	13.94
	31-Mar-31	30.86	8.02	-	
Total tax losses		**243.49**	**63.31**	**214.41**	**55.75**
Unabsorbed depreciation	No expiry period	79.60	20.69	69.18	17.98
Total		**323.09**	**84.00**	**283.59**	**73.73**

D Deferred tax liability

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax asset/ liabilities are attributable to the following terms:		
Deferred tax assets		
- Loss & expense allowable u/s 35D	0.25	0.25
Subtotal (a)	**0.25**	**0.25**
Deferred tax liabilities		
Depreciation & related items	(2.73)	(2.73)
Subtotal (b)	**(2.73)**	**(2.73)**
Less- MAT credit available	-	-
Net Deferred tax asset /liability (a)+(b)	**(2.48)**	**(2.48)**

40 Other comprehensive income (OCI)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
Remeasurement of the defined benefit plans	0.06	0.45
Tax impact on re-measurement gain on defined benefit plans	-	-
Total	**0.06**	**0.45**

41 Earnings per share (EPS)

Particulars	Year ended 31 March 2024	Year ended 31 March 2023
(a) Net loss attributable for equity shareholders	(73.85)	(36.15)
(b) Weighted average number of equity shares outstanding during the year for calculating basic EPS (nos.)	7,75,87,191	7,22,16,926
(c) Effect of potential dilutive equity shares on employee stock option outstanding (nos.)*	-	-
(d) Weighted average number of Equity shares outstanding during the year for calculating diluted EPS (nos.)	7,75,87,191	7,22,16,926
Face value per equity share (Rs.)	2	2
Basic earnings per share (Rs.)	(9.52)	(5.01)
Diluted earnings per share (Rs.)	(9.52)	(5.01)

*Potential equity shares have not been considered for the computation of diluted EPS as they are anti-dilutive in nature.

42 A. Contingent liabilities and claims against the Group

Particulars	As at 31 March 2024	As at 31 March 2023
Contingent liabilities, to the extent not provided for in respect of:		
a. Undertakings and letter of credit		
Letter of credit	16.16	11.09
b. Demands		
Excise duty	-	3.34
Sales tax	1.33	6.14
Goods and service tax	0.77	0.84
Income tax*	5.04	5.04
Other legal matters#	12.81	17.33

* It includes an order u/s 263 of the Income Tax Act, 1961, received by the Holding Company during financial year (FY) 2021-22 from the Deputy Commissioner of Income Tax for the AY 2015-16, disallowing provision for freight of Rs. 2.58 crores, thereby decreasing returned loss. However, there will be no additional demand on account of this addition of income as the Holding Company has sufficient carry forward losses to adjust it. The Holding Company has filed an appeal with Commissioner of Income Tax (Appeals) against the order.

It includes exposure towards litigation/disputes relating to various labour cases, eviction matters, money recovery cases etc.

(i) The Group has reviewed all its pending litigations and proceedings and has adequately considered provision made and disclosed as contingent liabilities as applicable, in these consolidated financial statements. The management believes that with respect to litigation disclosed as contingent liability will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Group.

B. Commitments

Particulars	As at 31 March 2024	As at 31 March 2023
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances of Rs. 9.21 crores (31 March 2023: Rs. 1.05 crores)	74.41	9.72
(ii) Guarantees issued by the Group's bankers on behalf of the Group in favour of its vendors	7.32	8.66

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
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43 Defined benefit plan and long term employment benefits

a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under:Employer's contribution to provident and other funds Rs. 2.95 crores (31 March 2023: Rs. 2.11 crores) (refer note 35)

b) Defined benefit plan (Gratuity)

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each year. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Every employee who has completed five years or more of service gets a gratuity on retirement/leaving the organisation at 15 days salary (last drawn salary) for each completed year of service. The scheme is unfunded. Actuarial gains or losses are recognised in other comprehensive income.

c) Other benefits (Compensated absences)

The employees of the Group are entitled to leaves as per the leave policy of the Group. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation. The expense related to compensated absences are recognised in consolidated statement of profit and loss as employee benefits expense.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet:

Particulars		As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Change in present value of obligation during the year**				
	Present value of obligation at the beginning of the year	8.19	1.29	9.23	1.15
	Current service cost	1.26	0.45	0.89	0.20
	Interest cost	0.60	0.09	0.67	0.08
	Actuarial (gain)/loss on obligation	(0.06)	(0.15)	(0.45)	0.05
	Benefits paid	(2.02)	(0.49)	(2.15)	(0.20)
	Present value of obligation as at the end of the year	**7.97**	**1.19**	**8.19**	**1.28**
II	**Change in fair value of plan assets during the year**				
	Plan assets at the beginning of the year at fair value	0.03	-	0.03	-
	Actual return on plan assets	0.00	-	0.00	-
	Fund charges	(0.00)	-	(0.00)	-
	Employer's contribution	0.01	-	0.01	-
	Benefits paid	-	-	(0.01)	-
	Plan assets at the end of the year	**0.04**	**-**	**0.03**	**-**
III	**Reconciliation of present value of defined benefit obligation and fair value of plan assets**				
1	Present value of obligation as at year-end	7.97	1.19	8.19	1.29
2	Fair value of plan assets at year -end	(0.04)	-	(0.03)	-
3	**Net liability recognised in Balance Sheet**	**7.93**	**1.19**	**8.16**	**1.29**

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

	Particulars	As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV	**Amount to be recognised in the Statement of Profit and Loss**				
1	Current service cost	1.26	0.45	0.89	0.20
2	Interest cost	0.60	0.09	0.67	0.08
3	Expected return on plan assets	-	-	-	-
4	Actuarial loss	-	(0.15)	-	0.05
	Net cost recognised	**1.86**	**0.39**	**1.56**	**0.33**

	Particulars	Year ended 31 March 2024	Year ended 31 March 2023
		Gratuity	Gratuity
V	**Amount recognised in Other Comprehensive Income**		
	Actuarial loss/(gain) arising from changes in financial assumptions	0.08	(0.09)
	Actuarial gain arising from experience adjustment	(0.14)	(0.36)
	Net actuarial gain	**(0.06)**	**(0.45)**

	Particulars	As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI	**Division of DBO at the end of the year**				
1	Current liability	0.21	0.37	2.51	0.91
2	Non-current liability	7.72	0.82	5.65	0.37

	Particulars	As at 31 March 2024		As at 31 March 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VII	**Actuarial assumptions**				
1	Discount rate	7.23%	7.23%	7.38%	7.38%
2	Mortality table	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)
3	Salary escalation*	9.00%	9.00%	9.00%	9.00%
4	Withdrawal rate	2.00%	2.00%	2.00%	2.00%
5	Rate of leave availment	-	3.40%	-	2.00%
6	Retirement age (years)	60	60	60	60
7	Rate of return on plan assets	7.23%	-	7.38%	-

*The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

Note: Weighted average duration (in years) for gratuity and leave encashment is 15.33 (31 March 2023: 14.50)

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

VIII	Sensitivity analysis*		As at 31 March 2024		As at 31 March 2023	
			Impact on liabilities		Impact on liabilities	
	Assumption	Changes in assumption	Increase	Decrease	Increase	Decrease
	Gratuity					
	Discount rate	+/- 50 basis points movement	(0.31)	0.33	(0.45)	0.51
	Withdrawal rate	+/- 50.00% movement	0.32	(0.30)	0.18	(0.21)
	Future salary growth	+/- 0.50% movement	0.19	(0.22)	0.53	(0.47)
	Mortality rate	+/- 10.00% movement	0.04	(0.05)	0.04	(0.05)
	Leave encashment					
	Discount rate	+/- 50 basis points movement	(0.05)	0.06	(0.49)	0.56
	Withdrawal rate	+/- 50.00% movement	0.06	(0.05)	0.20	(0.23)
	Future salary growth	+/- 0.50% movement	0.19	(0.21)	0.59	(0.52)
	Mortality rate	+/- 10.00% movement	0.04	(0.05)	0.05	(0.05)

*The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

IX Description of risk exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks as follows -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determined the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The plan exposes the Group to the risk of decrease in interest rates. A decrease in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk - This is the risk that the Group is not able to meet the short term benefit payout. This may arise due to non-availability of enough cash and cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

E) Investment risk - The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit. The plan asset investments is in fixed income securities of Life Insurance Corporation of India.

X The following are maturity profile of defined benefit obligations (discounted) in future years (before adjusting fair value of plan assets):

Years	Gratuity	
	31 March 2024	31 March 2023
0 to 1 year	1.19	2.51
1 to 2 years	0.61	0.38
2 to 3 years	0.56	0.38
3 to 4 years	0.35	0.45
4 to 5 years	0.43	0.27
5 to 6 years	0.44	0.37
6 years onwards	4.39	3.83

XI Expected contribution for the next annual reporting period

Particulars	Gratuity		Leave Encashment	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
Service cost	1.63	1.17	0.76	0.44
Net interest cost	0.57	0.60	0.09	0.09
Expected expense for the next annual reporting period	**2.20**	**1.77**	**0.85**	**0.53**

*Expected contribution to the plan assets is Nil (31 March 2023: Nil).

44 Lease related disclosures as lessee

The Group's lease asset class primarily consists of leases for land, corporate office and warehouses. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate ranging 9.73-12.16% (31 March 2023: 10.70-12.16%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities.

(i) Lease liabilities are presented in the Balance Sheet as follows:

Particulars	As at 31 March 2024	As at 31 March 2023
Current	1.19	0.83
Non-current	1.49	0.35
Total	**2.68**	**1.18**

(ii) The following are amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation expense of right-of-use assets (refer note 37)	1.35	1.25
Interest expense on lease liabilities (refer note 36)	0.19	0.19
Rent expense* (refer note 38)	4.91	3.23
Total	**6.45**	**4.67**

*Rent expense for short-term leases and not included in the measurement of lease liability.

(iii) The right-of-use assets relating to leases of land and buildings are as follows:

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Balance at the beginning of the year	16.68	17.67
Add: Addition on account of new leases entered during the year	2.84	0.68
Less: Adjustment due to modification in leases	0.25	0.42
Less: Depreciation expenses charged on right-of-use assets	1.35	1.25
Balance at the end of the year	**17.92**	**16.68**

(iv) Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the consolidated financial statements.

The expense relating to payments not included in the measurement of the lease liability for short term leases is Rs. 4.91 crores (31 March 2023: Rs. 3.23 crores).

Total cash outflow for principal element of lease liabilities for the year ended 31 March 2023 was Rs. 1.23 crores (31 March 2023: Rs.1.17 crores).

(v) Maturity of lease liabilities

Future minimum lease payments for year ended 31 March 2024 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	1.41	0.22	1.19
Later than 1 year not later than 5 years	1.61	0.12	1.49
Later than 5 years	-	-	-
Total	**3.02**	**0.34**	**2.68**

Future minimum lease payments for year ended 31 March 2023 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	0.92	0.09	0.83
Later than 1 year not later than 5 years	0.37	0.02	0.35
Later than 5 years	-	-	-
Total	**1.29**	**0.11**	**1.18**

45 Fair value measurements

A Financial instruments by categories

Financial Assets

Particulars		Fair Value Hierarchy	As at 31 March 2024		As at 31 March 2023	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial assets measured at FVTPL**					
	Non-current investments	Significant unobservable inputs (Level -3)	0.00	0.00	0.00	0.00
	(A)		**0.00**	**0.00**	**0.00**	**0.00**

Level 3 - category includes financial assets and liabilities measured using valuation techniques based on non market observable inputs. This means that fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. However, the fair value measurement objective remains the same, that is, to estimate an exit price from the perspective of the Group. The main asset classes in this category are unlisted equity investments as well as unlisted funds.

2.	**Financial assets measured at amortised cost**					
	Trade receivables	-	109.85	-	107.52	-
	Cash and cash equivalents	-	50.35	-	21.21	-
	Other bank balances	-	5.83	-	2.21	-
	Other financial assets	-	51.71	-	89.07	-
	(B)	**-**	**217.74**	**-**	**220.01**	**-**
	Total financial assets (A)+(B)	**-**	**217.74**	**0.00**	**220.01**	**0.00**

Financial liabilities

Particulars		As at 31 March 2024		As at 31 March 2023	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial liabilities measured at amortised cost**				
	Borrowings	103.20	-	138.89	-
	Trade payables	134.73	-	100.02	-
	Lease liabilities	2.68	-	1.18	-
	Other financial liabilities	10.10	-	6.92	-
	Total financial liabilities	**250.71**	**-**	**247.01**	**-**

B Valuation technique to determine fair values

Cash and cash equivalents, other bank balances, trade receivables, loans, other current financial assets, trade payables, current borrowings and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) The fair values of the long term borrowings, loans and other deferred payments are determined by using discounted cash flow method using the appropriate discount rate. The discount rate is determined using other similar instruments incorporating the risk associated.

(ii) The fair values of investments measured at FVTPL are determined based on observable market data other than quoted prices in active market.

iii) The carrying amount of financial assets and financial liabilities measured at amortised cost in the consiolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

46 Financial risk management

The Group's principal financial liabilities comprise of borrowings, lease liabilities, trade payables and other payables. The Group's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

A Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Group primarily sells paints and coatings to customers operating in India and outside India. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Considering the nature of trade receivables, and entity's history of credit with those receivables, entity has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high external rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans to employees and securities deposits

The Group provides loans to its employees and furnish security deposit to various parties for electricity, communication, etc. The Group considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

Investments

The Group has invested in unquoted equity instruments and preference shares of its subsidiaries, and other company. The management actively monitors the operation of subsidiaries and joint venture which affect investments. The Group does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Cash and cash equivalents	50.35	21.21
Other bank balances	5.83	2.21
Loans	-	-
Other financial assets	51.71	89.07
	107.89	**112.49**
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	109.85	107.52
	109.85	**107.52**

Provision for expected credit loss

(i) Financial assets for which loss allowance is measured using 12 months expected credit loss

The Group has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

(ii) Financial assets for which loss allowance is measured using life time expected credit loss

For trade receivables, the Group follows the approach of a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables (net) before adjustment of expected credit loss provision of Rs. 5.90 crores (31 March 2023: Rs. 7.70 crores) as of the reporting date is as follows:

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024							
Trade receivables (gross)	87.46	19.79	4.68	1.93	0.77	1.12	115.75
Less: Allowance for expected credit loss	2.75	0.71	0.18	0.37	0.77	1.12	5.90
Trade receivables (net)	84.71	19.08	4.50	1.56	-	-	109.85
Expected credit loss %	3.14%	3.59%	3.85%	19.17%	100.00%	100.00%	5.10%

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Trade receivables (gross)	88.34	19.06	2.59	1.68	1.11	2.44	115.22
Less: Allowance for expected credit loss	2.64	0.34	0.64	0.53	1.11	2.44	7.70
Trade receivables (net)	85.70	18.72	1.95	1.15	-	-	107.52
Expected credit loss %	2.99%	1.78%	24.71%	31.55%	100.00%	100.00%	6.68%

Movement in expected credit loss allowance on trade receivables

Particulars	As at 31st March, 2024	As at 31st March, 2023
Balance at the beginning of the year	7.70	10.14
Provided during the year	-	-
Reversal/adjustment during the year	(1.80)	(2.44)
Balance at the end of the year	**5.90**	**7.70**

B Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

Expected maturity for financial liabilities having contractual undiscounted maturities

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2024					
Borrowings	103.20	59.48	23.34	20.38	**103.20**
Lease liabilities	2.68	-	1.41	1.61	**3.02**
Trade and other payables	134.73	-	134.73	-	**134.73**
Other financial liabilities	10.10	-	9.88	0.22	**10.10**

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2023					
Borrowings	138.89	18.19	106.08	14.62	**138.89**
Lease liabilities	1.18	-	0.92	0.37	**1.29**
Trade and other payables	100.02	-	100.02	-	**100.02**
Other financial liabilities	6.92	-	6.82	0.10	**6.92**

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest risk and commodity price risk which results from its operating, investing and financing activities.

(a) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of the Group is Indian Rupees (INR) and most of the transactions are carried out in INR. Exposure to currency exchange rates mainly arises from the Group's overseas sales and purchases which are primarily denominated in US Dollars (USD) and Euro (EUR).

The Group has limited exposure to the foreign currency risk and thereby it relies mainly on natural hedge. The carrying amounts of the Group's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows:

Exposure in foreign currency - unhedged

Outstanding foreign currency exposure not being hedged against adverse currency fluctuation:

Particulars	Period	Foreign currency		Local currency	
Bills discounting	31 March 2024	USD	0.79	INR	0.76
Trade receivables	31 March 2024	USD	0.01	INR	1.11
Trade payables	31 March 2023	USD	0.01	INR	0.51
Trade payables	31 March 2023	EUR	0.00	INR	0.24
Trade receivables	31 March 2023	USD	0.03	INR	2.28

Foreign currency denominated monetary items

The carrying amounts of the Group's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows:

Particulars	As at 31st March, 2024	As at 31st March, 2023
Financial assets		
Trade receivables	1.11	2.28
Financial liabilities		
Bills discounting	(1.97)	-
Trade payables	-	(0.24)
Net assets	**(0.86)**	**2.04**

Sensitivity analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against foreign currency as at the year end would have increased/ (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

100 basis points increase and decrease in foreign exchanges rates will have the following impact on profit/(loss) before tax

Particulars	For the year ended 31 March 2024		For the year ended 31 March 2023	
	100 basis points increase	100 basis points decrease	100 basis points increase	100 basis points decrease
USD sensitivity	(0.01)	0.01	0.02	(0.02)
Increase/ (decrease) in profit or loss	**(0.01)**	**0.01**	**0.02**	**(0.02)**

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest rate risk exposure

Particulars	As at 31st March, 2024	As at 31st March, 2023
Fixed rate borrowings	-	-
Variable rate borrowings	103.20	138.89
Total borrowings	**103.20**	**138.89**

Sensitivity on variable rate borrowings

Particulars	Impact on profit/(loss) before tax	
	For the year ended 31 March 2024	For the year ended 31 March 2023
INR borrowings		
Interest rate increase by 50 basis points	(0.52)	(0.69)
Interest rate decrease by 50 basis points	0.52	0.69

(c) Commodity price risk

Commodity price risk is the risk that future cash flow of the Group will fluctuate on account of changes in market price of key raw materials. The Group is exposed to the movement in price of key raw materials in domestic and international markets.

(d) Other price sensitivity

The Group is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

47 Capital risk management

The Group's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued equity share capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Group may use appropriate means to enhance or reduce the capital, as the case may be.

Particulars	As at 31 March 2024	As at 31 March 2023
Total borrowings (excluding lease liabilities)	103.20	138.89
Less: Cash and cash equivalents	50.35	21.21
Net debt	**52.85**	**117.68**
Total equity	393.17	352.55
Capital and net debt	**446.02**	**470.23**
Gearing ratio	12%	25%

The change in ratio is as a result of preferential allotment and repayment of borrowings by the Group during the year.

The Group has complied with the externally imposed capital requirements during the current and previous financial year.

48 Related party disclosure as per Ind AS 24

A List of related party and relationship

Name of Related Party	Country of Incorporation	Ownership Interest	
		31 March 2024	31 March 2023
(a) Holding Company			
1 Hella Infra Market Private Limited (w.e.f 11 March 2024)	India	52.85%	24.99%

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(b) Key managerial personnel (KMPs)	
1 Mr. Ashok Kumar Gupta	Managing Director
2 Mr. Alok Perti	Non-Executive Independent Director (Ceased w.e.f. 29 June 2023)
3 Mr. Abhyuday Jindal	Non-Executive Non-Independent Director
4 Mr. Ashok Kumar Agarwal	Non-Executive Independent Director (Ceased w.e.f. 11 August 2022)
5 Dr. Rajeev Uberoi	Non-Executive Independent Director
6 Ms. Shruti Srivastava	Non-Executive Independent Director (Ceased w.e.f. 19 February 2023)
7 Mr. Souvik Pulakesh Sengupta	Non-Executive Non-Independent Director
8 Mr. Vijay Kumar Sharma	Non-Executive Independent Director (Ceased w.e.f. 04 October 2023)
9 Mr. Sanjiv Garg	Non-Executive Independent Director (Appointed w.e.f. 10 August 2022)
10 Ms. Shan Jain	Non-Executive Independent Director (Appointed w.e.f. 13 February 2023)
11 Mr. Atul Rasiklal Desai ("ARD")	Non-Executive Independent Director (Appointed w.e.f. 28 June 2023)
12 Mr. Mohit Kumar Donter	Chief Financial Officer (Ceased w.e.f. 30 June 2023)
13 Mr. Davinder Dogra ("DD")	Chief Financial Officer (Ceased w.e.f. 30 September 2023)
14 Mr. Sachin Naik ("SN")	Chief Financial Officer (Appointed w.e.f. 06 December 2023)
15 Ms. Shikha Rastogi	Company Secretary
(c) Relative of KMP	
1 Mrs. Shelly	Spouse of Mr. Mohit Kumar Donter
(d) Entities in which a KMP/ director or his/her relative is a member or director	
1 Hella Infra Market Private Limited	Other related party
2 Hella Infra Market Retail Private Limited	Other related party
3 Hella Chemical Market Private Limited	Other related party
4 RDC Concrete (India) Private Limited	Other related party
5 Jindal Stainless (Hisar) Limited (Amalgamated w.e.f. 02 March 2023)	Other related party
6 Jindal Stainless Limited	Other related party

B Related party transaction

Particulars	Amount	
	Year ended 31 March 2024	Year ended 31 March 2023
Reimbursement of expenses incurred by Company		
Mr. Ashok Kumar Gupta	0.01	0.02
Mr. Mohit Kumar Donter	0.00	0.01
Mr. Sachin Naik	0.00	-
Ms. Shikha Rastogi	0.00	0.00
Mrs. Shelly	-	0.05

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

Particulars	Amount	
	Year ended 31 March 2024	Year ended 31 March 2023
Remuneration paid to KMPs		
Mr. Ashok Kumar Gupta	2.50	2.50
Mr. Mohit Kumar Donter	0.34	0.63
Ms. Shikha Rastogi	0.31	0.24
Mr. Sachin Naik	0.43	-
Mr. Davinder Dogra	0.32	-
Salary payable at the end of the Year		
Mr. Ashok Kumar Gupta	0.13	0.13
Mr. Sachin Naik	0.08	-
Mr. Mohit Kumar Donter	-	0.03
Ms. Shikha Rastogi	0.02	0.01
Defined benefit obligation (cumulative) for KMPs		
I. Gratuity		
Mr. Ashok Kumar Gupta	0.15	0.13
Mr. Sachin Naik	0.01	-
Mr. Mohit Kumar Donter	-	0.03
Ms. Shikha Rastogi	0.02	0.01
II. Compensated absences		
Mr. Ashok Kumar Gupta	0.02	0.01
Mr. Sachin Naik	0.01	-
Mr. Mohit Kumar Donter	-	0.00
Ms. Shikha Rastogi	0.00	0.00
Interest accrued but not due on optionally convertible debentures [refer note 20(a)]		
Hella Infra Market Private Limited	1.94	4.95
Share warrants [refer note 18(iii)]		
Hella Infra Market Private Limited	56.25	18.75
Virtuous Tradecorp Private Limited	30.00	10.00
JSL Limited	26.25	8.75
Sale of products		
Jindal Stainless (Hisar) Limited	-	0.92
Jindal Stainless Limited	10.98	3.61
Hella Infra Market Retail Private Limited	0.63	15.92
Hella Infra Market Private Limited	0.00	16.23
RDC Concrete (India) Private Limited	(0.00)	6.67
Purchase of products		
Hella Chemical Market Private Limited	0.70	5.14
Hella Infra Market Private Limited	1.04	-
Rent		
Hella Infra Market Retail Private Limited	0.55	0.26
Jindal Stainless Limited	0.01	-

Particulars	Amount	
	Year ended 31 March 2024	Year ended 31 March 2023
Directors sitting fees		
Mr. Alok Perti	0.03	0.04
Dr. Rajeev Uberoi	0.09	0.05
Mr. Atul Rasiklal Desai	0.02	-
Mr. Ashok Kumar Agarwal	-	0.01
Mr. Sanjiv Garg	0.04	0.02
Ms. Shruti Srivastava	-	0.03
Mr. Vijay Kumar Sharma	0.04	0.02
Ms. Shan Jain	0.05	0.01
Employee stock option expense		
Ms. Shikha Rastogi	0.02	-
Consultancy fees		
Ms. Shan Jain	0.04	0.02
Receivables/(payables)		
RDC Concrete (India) Private Limited - Sale	0.00	4.03
Jindal Stainless Limited - Sale	2.09	0.98
Hella Infra Market Retail Private Limited - Sale	0.19	2.30
Hella Chemical Market Private Limited - Purchase	(0.04)	(1.11)
Jindal Stainless (Hisar) Limited - Sale	-	0.09
Jindal Stainless (Hisar) Limited - Rent	(0.01)	-
Hella Infra Market Private Limited - Purchase	(0.80)	-
Hella Infra Market Private Limited - Sale	0.00	7.81
Hella Infra Market Retail Private Limited- Rent	(0.25)	(0.10)

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions.

The remuneration to the KMP's does not include the provision made for gratuity and leave benefit as the are determined for the Group as a whole.

49 Share based payments (Equity settled)

A The ESOP 2013 scheme was approved by the Board of Directors and the shareholders on 25 May 2013 and 06 August 2013 respectively. As per the ESOP 2013 scheme, options are granted to employees of the Group which will vest over the period of four years. The relevant details of the scheme are as follows:

I Option movement during the year ended 31 March 2023

Particulars	31 March 2023	
	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	4,000	111.22
Options granted during the year	-	-
Options lapsed during the year	4,000	111.22
Options exercised during the year	-	-
No. of options outstanding at the end of the year	-	-
No. of options exercisable at the end of the year	-	-

II Weighted average remaining contractual life

Particulars	31 March 2023	
	No. of options outstanding	Weighted average contractual life (years)
Weighted average remaining contractual life	-	-

III Effect of employee stock option scheme on the Statement of Profit and Loss and Balance Sheet

Particulars	31 March 2023
Employee option plan expense	(0.05)
Share options outstanding at the end of the period	-

*No options were granted in the current year or previous year and no options were outstanding as at 31 March 2024 and 31 March 2023.

B The ESOP 2022 scheme was approved by the Board of Directors and the shareholders on 10 August 2022 and 29 September 2022 respectively. As per the ESOP 2022 scheme, options have been granted to the eligible employees of the Group which will vest over the period of four years at the end of 1 year from the grant date. The relevant details of the scheme are as follows:

I Option movement during the year ended 31 March 2024

Particulars	31 March 2024	
	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	-	-
Options granted during the year	19,66,566	139.20
Options lapsed during the year	6,55,426	-
Options exercised during the year	-	-
No. of options outstanding at the end of the year	13,11,140	139.20
No. of options exercisable at the end of the year	-	-

II Weighted average remaining contractual life

Particulars	No. of options	
	No. of options outstanding	Weighted average contractual life (years)
Weighted average remaining contractual life	13,11,140	2.55

III Method and assumptions used to estimate the fair value of options granted:

The fair value has been calculated using the Black Scholes Option Pricing model.

The assumptions used in the model are as follows:

Variables	31 March 2024
	Weighted Average
1. Risk-free rate of return	6.99%-7.14%
2. Time to maturity	1.25 to 4.25 years
3. Expected volatility	35.49%-50.56%
4. Expected divided yield	-
5. Exercise price (Rs.)	139.20
6. Price of the underlying share in market at the time of the option grant (Rs.)	147.50

IV Effect of employee stock option scheme on the Statement of Profit and Loss and Balance Sheet

Particulars	31 March 2024
Employee option plan expense	1.91
Share options outstanding at the end of the period	1.91

*No options were granted in the previous year.

50 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities pursuant to Ind AS 7 'Statement of Cash Flows'

Particulars	Lease liabilities (Non-current and current)	Borrowings (Non-current and current)
Balance as at 01 April 2023	1.89	165.74
Cash flows (net)	(0.99)	(28.32)
Non-cash changes:		
Recognition in lease liabilities (net)	0.28	-
Impact of fair value changes	-	1.47
Balance as at 31 March 2024	**1.18**	**138.89**
Cash flows (net)	(1.42)	(35.69)
Non-cash changes:		
Recognition in lease liabilities (net)	2.92	-
Balance as at 31 March 2024	**2.68**	**103.20**

51 Segment information

The business activities of the Group predominantly fall within a single reportable business segment, i.e. manufacturing of paints within India and sale of paints within India and outside India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 'Operating Segments'. The aforesaid is in line with review of operating results by the chief operating decision maker.

52 The Group's manufacturing plant situated at Nashik got a massive fire on 19 November 2016, which caused extortionate damage to the Group, both on account of loss of assets i.e. building, plant and machinery, inventory etc. vis-à-vis loss of the profit during the period.

The Group had taken two insurance policies from United India Insurance Group Limited viz. Loss of Profit Policy and Reinstatement Policy and had filed the claims against those policies with the insurance Group. The status of those claims is as under:

(i) The Group had claimed Rs. 32.90 crores in respect of Nashik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their survey report at Rs. 22.14 crores (loss of production method) and at Rs. 22.63 crores (turnover method) and thereafter further reduced the amount to Rs. 18.32 crores. Against the aforesaid claim, the Group has received in total Rs. 16.14 crores (Rs. 13.99 crores, as interim payment during earlier financial years). The remaining amount of Rs. 2.14 crores received during previous year had been shown under the head "Other Income". Aggrieved with the assessment being not fully indemnified, the Group invoked arbitration and has filed its claim of Rs. 12.57 crores before the Arbitral Tribunal, which is currently pending for adjudication.

(ii) The Group had claimed Rs. 59.35 crores in respect of Nashik Plant fire under Reinstatement Policy, and the surveyor appointed by the insurer had assessed the claim vide their survey report at Rs. 21.89 crores. Against the aforesaid claim, the Group had received total Rs. 20.91 crores in earlier financial years. Aggrieved with the assessment being not fully indemnified, the Group invoked arbitration and had filed its claim of Rs. 37.93 crores before the Arbitral Tribunal. On 05 January 2024, Arbitrator has passed an Award of Rs. 20.01 crores in favour of the Group for the claim filed under Reinstatement Policy. The Group is in the process of getting the award executed for its enforcement.

53 Term loans from financials institutions represent loan availed by the Group for working capital needs of business.

54 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07 May 2009 requiring the Group to give immovable property to the extent of Rs. 4.50 crores as security in favour of Tara Properties Private Limited (the landlord of property at 13, Camac Street, Kolkata). The Group has given portion of its land at Goaberia (adjacent to Howrah plant), as security. Refer note 5.1(e).

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

55 The subsidiary companies considered in the Consolidated Financial Statements are:

Particulars	Country of Incorporation	% of holding		Accounting period
		As at 31 March 2024	As at 31 March 2023	
Shalimar Adhunik Nirman Limited	India	99.99	99.99	01 April 2023 - 31 March 2024
Eastern Speciality Paints & Coatings Private Limited	India	100.00	100.00	01 April 2023 - 31 March 2024

56 Disclosure of additional information pertaining to the parent company, subsidiaries and associates as per Schedule III of Companies Act, 2013:

Year ended 31 March 2024

Name of the Company	Net Assets (Total Assets-Total Liabilities)		Share in profit/ loss		OCI		TCI	
	as % of consolidated net assets	Net assets	as % of consolidated profit or loss	Profit/ (Loss)	as % of consolidated OCI	OCI	as % of consolidated TCI	TCI
Shalimar Paints Limited	95.98%	377.36	99.86%	(73.75)	100.00%	0.06	99.86%	(73.69)
Indian Subsidiaries								
Shalimar Adhunik Nirman Limited	3.88%	15.27	0.62%	(0.46)	0.00%	-	0.62%	(0.46)
Eastern Speciality Paints & Coatings Private Limited	0.00%	0.01	0.04%	(0.03)	0.00%	-	0.04%	(0.03)
Consolidation adjustments	0.14%	0.53	-0.52%	0.39	0.00%	-	-0.52%	0.39
Total	**100.00%**	**393.17**	**100.00%**	**(73.85)**	**100.00%**	**0.06**	**100.00%**	**(73.79)**

Year ended 31 March 2023

Name of the Company	Net Assets (Total Assets-Total Liabilities)		Share in profit/ loss		OCI		TCI	
	as % of consolidated net assets	Net assets	as % of consolidated profit or loss	Profit/ (Loss)	as % of consolidated OCI	OCI	as % of consolidated TCI	TCI
Shalimar Paints Limited	95.49%	336.64	99.89%	(36.11)	100.00%	0.45	99.89%	(35.66)
Indian Subsidiaries								
Shalimar Adhunik Nirman Limited	4.46%	15.71	1.25%	(0.45)	0.00%	-	1.27%	(0.45)
Eastern Speciality Paints & Coatings Private Limited	0.00%	0.01	0.01%	(0.00)	0.00%	-	0.00%	(0.00)
Consolidation adjustments	0.05%	0.19	-1.15%	0.41	0.00%	-	-1.16%	0.41
Total	**100.00%**	**352.55**	**100.00%**	**(36.15)**	**100.00%**	**0.45**	**100.00%**	**(35.70)**

57 Additional regulatory information not disclosed elsewhere in the financial information

a The Group has used the borrowings from banks and financial institutions for the specific purposes for which it were taken at the balance sheet date (refer note 24).

b The Group does not hold any investment property as defined under Ind AS 40.

c The Group has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the current or previous year (refer notes 5 and 7).

d The Group has not traded or invested in crypto currency or virtual currency during the current and previous year (refer note 8).

e The Group has not granted loans or advances in the nature of loans to its promoters, directors, KMPs and other related parties (as defined under Companies Act, 2013), either severally or jointly with any other person.

f No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

g **Reconciliation of amount as per quarterly returns shared with banks and books:**

(i)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2023	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Inventories	126.35	126.69	(0.34)	Difference is due to book closure entries which pertain to provision of Rs.1.31 crores sales reversal of Rs. 1.95 crores and adjustment of Rs. 0.51 crores.
30 September 2023				116.45	122.19	(5.74)	Difference is due to book closure entry which pertains to provision of Rs. 5.74 crores.
31 December 2023				125.45	121.48	3.97	Difference is due to book closure entries which pertain to provision of Rs.5.15 crores and sales reversal of Rs. 1.19 crores.
31 March 2024				116.48	121.44	(4.96)	Difference is due to book closure entry which pertains to provision of Rs. 4.96 crores.

(ii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2022	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Inventories	112.56	114.55	(1.99)	Difference is due to book closure entry which pertains to provision of Rs. 1.99 crores done in the opening balance as a restatement adjustment.
30 September 2022				107.25	107.20	0.05	Difference is due to book closure entries.
31 December 2022				108.77	111.81	(3.04)	Difference is due to book closure entry which pertains to sales reversal impact of Rs. 3.04 crores.
31 March 2023				113.58	113.78	(0.20)	Difference is due to book closure entry which pertains to scrap sale of Rs. 0.20 crores.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

(iii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2023	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Trade receivables	92.22	111.95	(19.73)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 7.79 crores, stock transfer balance of Rs. 0.41 crores and sales reversal of Rs.12.35 crores.
30 September 2023				98.88	119.03	(20.15)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 8.01 crores, stock transfer balance of Rs. 0.21 crores and sales reversal of Rs. 12.35 crores.
31 December 2023				107.20	126.76	(19.56)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 8.34 crores, stock transfer balance of Rs. 1.33 crores and sales reversal of Rs. 12.35 crores.
31 March 2024				109.85	132.61	(22.76)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 5.90 crores, sales reversal of Rs.18.86 crores, unidentified collection of Rs. 0.65 crores, credit balance of debtors of Rs. 2.25 crores and inter-depot stock transfer of Rs. 0.35 crores.

(iv)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2022	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 20 and 24	Trade receivables	82.12	92.41	(10.29)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 10.56 crores and stock transfer balance of Rs. 0.29 crores.
30 September 2022				95.10	113.48	(18.38)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 7.52 crores, sales reversal of Rs. 11.03 crores and stock transfer balance of Rs. 0.18 crores.
31 December 2022				102.91	114.50	(11.59)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 12.59 crores, stock transfer balance of Rs. 0.37 crores and grossing of debtors of Rs. 0.86 crores.
31 March 2023				107.52	126.52	(19.00)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 7.70 crores, stock transfer balance of Rs. 0.39 crores, grossing of debtors of Rs. 1.17 crores, collection received from unidentified customers of Rs. 0.18 crores and sales reversal of Rs. 10.35 crores.

Notes to the Consolidated Financial Statements for the year ended 31 March 2024
(All amounts are in Rupees crores, unless otherwise stated)

h The Group has not been declared as wilful defaulter by any bank or financial Institution or other lender.

i Details of struck-off companies with whom the Group has transactions during the year or outstanding balance:

Name of struck-off company	Nature of transactions with struck-off companies	As at 31 March 2024	As at 31 March 2023
Expedite AR Management Private Limited	Receivables	0.01	0.01

j The Group has registered with Ministry of Corporate Affairs/ Registrar of Companies, all charges or satisfaction within the statutory time period.

k The Group is compliant in respect of number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

l The Group has not entered into any scheme of arrangement in the current and previous year.

m The Group has not advanced or provided loan to or invested funds in any entity including foreign entity or to any other person with the understanding that the intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

n The Group has not received any funds from any person or entity including foreign entity with the understanding that the Group shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

o In view of continued lossess, the Group is not covered by Section 135 of the Companies Act, 2013 dealing with CSR activities.

p The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

58 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which use accounting software for maintaining their books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.During the current year, the audit trail (edit logs) feature was not enabled at the database level for accounting software SAP (Database – Oracle 12C) to log any direct data changes, used for maintenance of all accounting records by the Group. Audit trail (edit log) is enabled at the application level as part of standard SAP framework.

59 Amounts below the rounding off norms adopted by the Group are presented as “0”.

60 Previous year figures have been regrouped/reclassified, wherever considered necessary in order to comply with financial reporting requirements. The impact of such regrouping/reclassification is not material to these consolidated financial statements. Further, the Group has chosen to present these financial statements from INR lakhs to INR crores. Accordingly, the previous year numbers are presented to INR crores.

The accompanying notes are an integral part of consolidated financial statement.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 17 May 2024

For and on Behalf of the Board of Directors of
Shalimar Paints Limited

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Shan Jain
Director
DIN:- 09661574

Sachin Naik
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Place : Mumbai
Date : 17 May 2024

Shalimar Paints Limited

CIN: L24222HR1902PLC065611

Regd. Office: Stainless centre, 4th Floor, Plot No.50, Sector-32, Gurugram, Haryana-122001

Website: www.shalimarpaints.com

e-mail: askus@shalimarpaints.com

E-COMMUNICATION REGISTRATION FORM

To,

Beetal Financial & Computer Services Pvt Ltd.

[Unit: Shalimar Paints Limited]

Beetal House, 3rd Floor,

99, Madangir, Behind LSC, New Delhi – 110062

Ph. 011-29961281-283, 26051061, 26051064

Fax 011-29961284

Email: beetalrta@gmail.com

Green initiative on Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client No.: ……

Name of 1st Registered Holder: ……

Name of Joint Holder(s), if any: ……

Registered Address of the Sole/1st Registered Holder……

No. of Shares held: ……

E-mail ID (to be registered): ……

Date: ……

Signature: ……

Notes:

1) On registration, all communications will be sent to the e-mail ID registered.
2) Shareholders are requested to keep the Company's Registrar - Beetal Financial & Computer Services Pvt Ltd. informed as and when there is any change in the e-mail address.

Notes

Notes

Notes

SHALIMAR
PAINTS
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