



**SHALIMAR
PAINTS**

**ANNUAL
REPORT
2019-20**

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MR. GAUTAM KANJILAL CHAIRMAN



Dear Shareholders,

It gives me immense pleasure to update you on the overall performance of your company. Our future-oriented approach and management agility have always helped your company to overcome many ups and downs. Be it the fire in Nashik and Howrah unit, or the economic disruption caused by the introduction of the GST bill, we have always bounced back – stronger than before – from every adversity.

And so, as we reminisce about past glories, we also celebrate the present. We have further strengthened our pan-India distribution network to make deeper inroads into established and emerging markets. Post Commencement of Nashik Plant in last year, this year marked scaling up operations to reach capacity of 26160 KL.

In order to improve our profitability, we have also deployed a 360-degree strategy that is aimed at all – around development of the organization. We are working on cost optimization initiatives while simultaneously ensuring that we maintain the high product quality that we are renowned for.

To create a buzz amongst our influences (painters), this year we also introduced silver coin in our premium emulsion well ahead of season time. The same received very good and improve our emulsion saliency response from all stakeholders of industry.

These measure are already showing impressive results, with Shalimar Paints registering a robust year-on-year revenue growth of 19% in the quarter ending March 2020.

Underlining our commitment to deliver on all fronts, this year your company has launched brand campaign Har Rang Khoobsurat (HRK) to touch on the strongest vein of the country – diversity. With this, we are celebrating India’s unique mix of cultures and identities while working towards a society that has broken through the artificial boundaries of religion, caste, gender and profession.

In keeping with our positioning as a socially responsible corporate company, we also did an Activity called #PaintTheChange with Kahani in a remote village of Dehradun to create awareness about local migration which is a grave issue back in the people living in the hills.

We respect that change is constant. Our strategy lies not in passively adapting to change, but proactively shaping the direction in which we move. This is why, having started from a single plant in 1902 in Howrah, Shalimar Paints today has a strong foothold in all the four zones and holds the power of adding color to the lives of millions across India, Nepal, Bhutan, Dubai and Seychelles.

I must say that this would not have been possible without your continued support and faith in us. It is with you that we have been through it all – from financial hurdles to operational recover – and come out victorious . In the end, the courage to grow together is what counts.

As a 100-year-young brand, we are barely just beginning. We are confident that, with support from the government and you Shalimar Paints will continue to scale greater heights and pursue a thousand opportunities. Let’s make the world better place and paint a brighter future for the country’s business ecosystem – together.

DECORATIVE PAINTS



Signature Interior Luxury Emulsion

The toughness of pure acrylic binders fortified with fluoro polymers impart high level of inertness giving a long-lasting, luxurious and stain-free finish. Signature Luxury Emulsion has superior Bacterial & 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 and heat. It reflects sun rays to help reduce heat build-up, blocks out damaging ultraviolet rays and prevent algal and fungal formation on walls. It has excellent Dirt Pick Up Resistance Property.



Superlac Interior Premium Acrylic Emulsion

Superlac Stay Clean is a water based super premium emulsion which provides Easy Stain Cleanability to household stains such as tea, coffee, ketchup etc. It is formulated with advance stain guard technology which gives superior stain resistance to household stains.



Xtra Tough Exterior Super Premium Emulsion

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



INDUSTRIAL PAINTS

PROTECTIVE COATING

For over a century, Shalimar Paints has been in the business of protecting & enhancing effective services life of plant & machinery and national infrastructure with its TUFFKOTE range of high performance coatings & services, meeting the highest international standards, through a process of innovation & continued improvements, while meeting or exceeding the requisite legislation of business & environment.



PRODUCT FINISH

Shalimar is a major player in the utility services segment comprising ceiling fans, light fixtures, luminaries, pumps, motors, material handling equipment, textile machinery, tractors & tillers, barrels, LPG cylinders, auto ancillary and two & three-wheeler industry (both manual as well as motorised).



PACKAGING

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. Today Shalimar Paints Cankote products touch every Indian Household using any item of metal packaging.



MARINE

Shalimar Paints is known for its century-old know-how and expertise in Marine requirements. We have supplied paints for Rani Padmini, the first vessel 76000 DWT, Cargo Carrier, built in Cochin Shipyard. We have the entire range and complete system of painting for :

- New Construction Shop Primers
- Under Water Anti-Corrosive & Anti-fouling paints
- Boot Top & Top Side Paints
- Super Structure, Deck and Accommodation Area coatings
- Portable Water Tank Coatings
- Tanks & Cargo Holds Coatings.



BOARD OF DIRECTORS

Mr. Gautam Kanjilal
Chairman

Mr. Ashok Kumar Gupta
Managing Director

Mr. Alok Perti
Director

Mr. Ashok Kumar Agarwal
Director

Mr. Sanjay Kumar Gupta
Director

Ms. Shruti Srivastava
Director



CORPORATE INFORMATION



Corporate Office

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



Registrar & Transfer Agents

BEETAL Financial & Computer Services Pvt. Ltd.
Beetal House, 3rd Floor,
99, Madangir, Behind LSC, New Delhi - 110062
Ph. 011-29961281-83 Fax 011-29961284
Email: beetalrta@gmail.com



Consortium Member Banks

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



Statutory Auditors

A.K Dubey & Co.



Company Secretary & Compliance Officer

Mr. Gautam



Website

www.shalimarpaints.com



Corporate Identification Number

L24222HR1902PLC065611

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611

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

Phone: 0124-4616600; Fax: 0124-4616659; E-mail Id: askus@shalimarpaints.com

Website: www.shalimarpaints.com

Notice of the 118th Annual General Meeting

NOTICE is hereby given that the 118th Annual General Meeting of the Members of **SHALIMAR PAINTS LIMITED** will be held on Tuesday, the 29th day of September, 2020 at 12:30 P.M., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt

- a) The audited standalone financial statements of the Company for the financial year ended on 31st March, 2020, the Reports of Board of Directors and Auditors thereon, and
 - b) The audited consolidated financial statements of the Company for the financial year ended on 31st March, 2020, the Reports of Auditors thereon.
2. To appoint a Director in place of Mr. Ashok Kumar Gupta (DIN: 01722395), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. AS AN ORDINARY RESOLUTION

APPOINTMENT OF MR. SANJAY KUMAR GUPTA (DIN: 07579756) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, Mr. Sanjay Kumar Gupta (DIN: 07579756) the Independent Non-Executive Director, who was appointed as an Additional Director (Independent) w.e.f. 27th December, 2019 by the Board of Directors upon recommendation by the Nomination and Remuneration Committee of the Company after satisfying the criteria laid by the Committee, and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of an Independent Director be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a period of five (5) consecutive years with effect from 27th December, 2019."

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" including any committee/ sub-committee of the Board) of the Company be and are hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

4. AS AN ORDINARY RESOLUTION

APPOINTMENT OF MS. SHRUTI SRIVASTAVA (DIN: 08697973) AS NON-EXECUTIVE INDEPENDENT DIRECTOR OF THE COMPANY

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, including any statutory modifications or re-enactment(s) thereof and any rules made thereunder, Ms. Shruti Srivastava (DIN: 08697973) the Independent Non-Executive Director, who was appointed as an Additional Director (Independent) w.e.f. 20th February, 2020 by the Board of Directors through Resolution by Circulation upon recommendation by the Nomination and Remuneration Committee of the Company after satisfying the criteria laid by the Committee, and whose term expires at this Annual General Meeting, and in respect of whom the Company has received a notice in writing from a Member proposing her candidature for the office of an Independent Director be and is hereby appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation, to hold office for a period of three (3) consecutive years with effect from 20th February, 2020."

"RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as "the Board" including any committee/ sub-committee of the Board) of the Company be and are hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

Notice (Contd.)

5. AS A SPECIAL RESOLUTION

RE-APPOINTMENT OF MR. ALOK PERTI (DIN: 00475747) AS NON-EXECUTIVE INDEPENDENT DIRECTOR FOR A SECOND TERM OF THREE CONSECUTIVE YEARS

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and all other applicable provisions, if any, and Schedule IV of the Companies Act, 2013 (“the Act”) read with the Companies (Appointment and Qualification of Directors) Rules, 2014, as may be amended from time to time and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), Mr. Alok Perti (DIN: 00475747), who has declared that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Listing Regulations, and who is eligible for re-appointment for a second term under the provisions of the Act and in respect of whom the Company has received a notice in writing from a Member of the Company proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby reappointed as an Independent Non-Executive Director of the Company, whose term shall not be subject to retire by rotation, to hold office for a further term of 3 (three) consecutive years on the Board of the Company, w.e.f. 30th June, 2020.”

“RESOLVED FURTHER THAT the Board of Directors (hereinafter referred to as “the Board” including any committee/sub-committee of the Board) of the Company be and are hereby authorized to take all necessary steps to give effect to the aforesaid resolution.”

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

**Gautam
Company Secretary
M. No. : ACS 30581**

Dated : September 01, 2020

Place : Gurugram

Notes:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular dated 5th May, 2020 read with circulars dated 8th April, 2020 and 13th April, 2020 (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM Facility, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“the Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), MCA Circulars and circular dated 12th May 2020 issued by the Securities and Exchange Board of India (“SEBI Circular”), the 118th AGM of the Company is being held through VC / OAVM Facility. The detailed procedure for participating in the meeting through VC/OAVM Facility is mentioned hereunder in this notice. The deemed venue for the 118th AGM shall be the Registered Office of the Company. In terms of the MCA Circulars and SEBI Circular, the Notice of the 118th AGM will be available on the website of the Company at www.shalimarpaints.com, on the website of BSE Limited at www.bseindia.com and National Stock Exchange of India Limited at www.nseindia.com also on the website of BEETAL Financial & Computer Services Pvt Ltd., at <http://www.beetalfinancial.com/>
2. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars and SEBI Circular through VC / OAVM Facility, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the 118th AGM of the Company and therefore the Proxy Form and Attendance Slip are not annexed to this Notice.
3. Attendance of the Members of the Company, participating in the 118th AGM through VC / OAVM Facility will be counted for the purpose of reckoning the quorum under section 103 of the Act.
4. 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 5 Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 118th AGM and facility for those Members participating in the 118th AGM to cast vote through e-Voting system during the 118th AGM. Beetal Financial Computer Services Private Limited (“Registrar”) will be providing facility for voting through remote e-Voting, for participation in the 118th AGM through VC/OAVM Facility and e-Voting during the 118th AGM.
5. At the 115th AGM, A K Dubey & Co. (Firm Regn. No. 329518E) were appointed as Statutory Auditors of the Company for a term of five years until the conclusion of 120th AGM of the Company. The ratification of their appointment, pursuant to Section 139 of the Companies Act, 2013, is not required, in terms of Notification No. S.O. 1833(E) dated May 7, 2018, issued by the Ministry of Corporate Affairs and accordingly, the item has not been included in the Ordinary Business of this AGM Notice.
6. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (“SS-2”) of the persons seeking re-appointment /

Notice (Contd.)

appointment as Directors under Item No. 2, 3, 4 & 5 of the Notice, are also attached. The Company has received relevant disclosures / consents from the Directors seeking re-appointment / appointment.

7. An Explanatory Statement pursuant to Section 102 of the Act relating to special business to be transacted at the meeting is annexed hereto.
8. Pursuant to Section 91 of the Act and Regulation 42 of the SEBI Listing Regulations, the Register of Members and the Share Transfer books of the Company will remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive) for the purpose of 118th AGM of the Company.
9. The Securities and Exchange Board of India ('SEBI') has mandated submission of Permanent Account Number ('PAN') by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to submit their PAN details to the Registrar.
10. SEBI has also mandated that requests for effecting transfer of securities (except transmission or transposition of securities) shall not be processed after March 31, 2019, unless the securities are held in dematerialized form. Hence, the Members holding shares in physical form are requested to convert their holdings to dematerialized form at the earliest.
11. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 118th AGM and the Annual Report for the year 2019- 20 including therein the Audited Financial Statements for financial year ended 31st March, 2020, are being sent only by email to the Members. Members who have not registered their email addresses with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 118th AGM and the Annual Report for the year 2019-20 and all other communication sent by the Company, from time to time, can now register the same by submitting a duly filled-in request form mentioning their folio number, complete address, email address to be registered along with scanned self-attested copy of the PAN Card and any document (such as Driving Licence, Passport, Bank Statement, Aadhar Card) supporting the registered address of the Member, by email to the Company / Registrar. Members holding shares in demat form are requested to register their email addresses with their Depository Participant(s) only.
12. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date 22nd September, 2020 and as per the Register of Members of the Company. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
13. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 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.
14. 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.
15. In case of joint holders attending the Meeting, only the Member whose name appears first will be entitled to vote.
16. Since 118th AGM of the Company will be held through VC / OAVM Facility, therefore Route Map is not annexed to this Notice.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard 2)

Item No. 3

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), the Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Sanjay Kumar Gupta as an Additional (Non-Executive Independent) Director of the Company not liable to retire by rotation, to hold office for a period of five consecutive years w.e.f December 27th 2019, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). In terms of provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), he will hold office up to the date of this AGM.

Mr. Sanjay Kumar Gupta is a Fellow member of The Institute of Chartered Accountants of India (ICAI) & Insurance Institute of India (III) and Associate member of The Institute of Cost & Management Accountants of India (ICMA) & The Institute of Company Secretaries of India (ICSI). He is also alumnus of the Shri Ram College of Commerce (SRCC), Delhi University. He has over 25 years of experience in leadership roles across functions in diverse industries like Steel, Financial Services, Housing & Urban infrastructure Finance etc. He is currently associated with Jindal United Steel Ltd as Chief Financial Officer. He had held leadership roles with Jindal Stainless Ltd., Tata Motors Finance Ltd. & HUDCO. His areas of expertise

Notice (Contd.)

include Corporate & Business Finance, Treasury, Financial Planning & Analysis, Corporate Taxation, Risk Management and Strategic assignments of M&A, restructuring for turnaround of companies etc.

In the opinion of the Board, Mr. Sanjay Kumar Gupta is a persons of Integrity and possesses relevant expertise and experience and fulfills the conditions for appointment as a director as specified in the Companies Act, 2013 and the rules made thereunder and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his appointment as Independent Non-Executive Director on the Board of the Company.

A notice in writing has been received from a Member of the Company in terms of Section 160 of the Companies Act, 2013 signifying his intention to propose the appointment of Mr. Sanjay Kumar Gupta as a Director of the Company. Save and except the above, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned in the resolution except to the extent of their shareholdings in the Company.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), the Board of Directors on the recommendation of the Nomination and Remuneration Committee, appointed Ms. Shruti Srivastava as an Additional (Non-Executive Independent) Director of the Company not liable to retire by rotation, to hold office for a period of three consecutive years w.e.f February 20, 2020, subject to consent by the Members of the Company at the ensuing Annual General Meeting ("AGM"). In terms of provisions of Section 161(1) of the Companies Act, 2013 ("the Act"), she will hold office up to the date of this AGM.

Ms. Shruti Shrivastava, holds a B.A. LL.B. (Hons.) degree from National Law School of India University, Bengaluru with a gold medal. She is a practicing corporate lawyer with approximately 12 years of experience. She started her career with S&R Associates, New Delhi and then moved on to Shardul Amarchand Mangaldas, New Delhi where she was a partner in the corporate and M&A practice since 2016. She has significant experience in general corporate advisory including senior management employment, mergers & acquisitions, private equity and venture capital transactions, debt and equity financing for both listed and unlisted companies and restructuring of businesses. She is currently leading Sagus Legal, a legal advisory firm.

In the opinion of the Board, Ms. Shruti Shrivastava is a persons of Integrity and possesses relevant expertise and experience and fulfills the conditions for appointment as a director as specified in the Companies Act, 2013 and and the rules made thereunder and as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for her appointment as Non-Executive Independent Director on the Board of the Company.

A notice in writing has been received from a Member of the Company in terms of Section 160 of the Companies Act, 2013 signifying her intention to propose the appointment of Ms. Shruti Shrivastava as a Director of the Company. Save and except the above, none of the Directors, Key Managerial Personnel and their relatives, is interested or concerned in the resolution except to the extent of their shareholdings in the Company.

This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5

As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"), the Board of Directors on the recommendation of the Nomination and Remuneration Committee, re-appointed Mr. Alok Perti (DIN: 00475747) as Non-executive Independent Director of the Company in the Board meeting held on June 30th, 2020 for second term of 3 (three) consecutive years, w.e.f. June 30th, 2020, subject to the approval of members of the Company by way of a special resolution in view of his performance in the first term and contribution to the Board of the Company by his skills, rich experience, knowledge, continued valuable contribution made by him, it was felt that his continued association would be of immense benefit to the Company. Mr. Alok Perti shall not be liable to retire by rotation as provided under Section 152(6) of the Companies Act, 2013 ("the Act").

Mr. Alok Perti holds a master's degree in physics. Mr. Perti has also completed a master's course in Social Planning & Policy in Developing Countries from the London School of Economics and Political Science. He joined Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government. He was on the board of several Defence PSUs as official director, where he worked as Joint Secretary in Ministry of Defence. He was also Official director on the board of CIL and NLC when he was serving in the Ministry of Coal. He was also chairman of the Expert Appraisal Committee of the Ministry of Environment and Forest for Hydro-electric and river projects. Apart from this he is also the Director General of the Indian Association of Ammonium Nitrate Manufacturers. Presently he is on the board of IIFCL Projects Ltd, which is a PSU.

The Company has received a declaration from Mr. Alok Perti confirming the criteria of independence as prescribed under Section 149(6) of the Act and under the Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Regulations"). Mr. Alok Perti is not disqualified from being appointed as Director in terms of Section 164 of the Act, as amended from time to time. In the opinion of the Board, he fulfils the conditions specified in the Act & SEBI Regulations and is independent of the management of the Company. In terms of Section 160 of the Act, the Company has received a notice in writing from a Member proposing the candidature of

Notice (Contd.)

Mr. Alok Perti for re-appointment as an Independent Non-Executive Director of the Company. A copy of the draft letter for re-appointment of Mr. Alok Perti setting out the terms and conditions of re-appointment is available for inspection without any fee by the members at the Registered Office of the Company, till the date of AGM. The details as required under SEBI Regulations and Secretarial Standard-2 issued by The Institute of Company Secretaries of India are mentioned under the head 'Additional Information'. This Explanatory Statement may also be regarded as a relevant disclosure under the SEBI Regulations and other applicable laws.

In terms of provisions of Section 149(10), an Independent Director shall be eligible for re-appointment for second term with the approval of members by passing a special resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

ADDITIONAL INFORMATION REQUIRED TO BE FURNISHED PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2 ON GENERAL MEETINGS:

As required pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Clause 1.2.5 of Secretarial Standards-2 on General Meetings, the particulars of Directors seeking appointment/re-appointment are provided below:

Brief Profile of directors appointed / re-appointed and the director, who retire by rotation and eligible for reappointment:

Name of Director	Mr. Ashok Kumar Gupta
DIN	01722395
Brief Resume	Mr. Ashok Kumar Gupta holds a Master's degree in Physics and PGDBA. He has experience in holding leadership positions at reputed organizations such as SAIL, Jindal Stainless, Surya Roshni, Arcelor Mittal, etc. As a director of Shalimar Paints, he oversees the overall operations of the company in addition to framing successful strategies for the growth of the company.
Date of Birth (Age in years)	07-07-1956
Qualification	Master's degree in Physics and PGDBA
Experience and expertise in specific functional area	Mr. Ashok Kumar Gupta holds Master's degree in Physics and PGDBA. Mr. Gupta has experience in functional areas holding leadership positions at reputed organizations such as SAIL, Jindal Stainless, Surya Roshni, Arcelor Mittal and APL Apollo Tubes Limited.
Terms and conditions of appointment	In terms of Section 152(6) of the Companies Act, 2013, Mr. Ashok Kumar Gupta who was appointed as a Managing Director on 27 th December, 2019 by Postal Ballot, is liable to retire by rotation at 118 th AGM of the Company.
Details of remuneration and remuneration last drawn	Mr. Ashok Kumar Gupta was appointed as a Managing Director of the Company w.e.f 27 th December, 2019 and thus was paid remuneration of ₹ 6,506,849 for the financial year 2019-20.
Date on which first appointed on the Board	10-08-2018
Details of shareholding in the Company (As on 31st March, 2020)	1827000 equity shares of ₹ 2/- each.
Relationship with other Directors/ Key Managerial Personnel ("KMP") (if any)	Mr. Ashok Kumar Gupta is not related to any Director or Key Managerial Personnel of the Company.
Number of Board Meetings attended during the year 2019-20	Five
Details of Directorships / Committee Chairmanship Directorship and Memberships in other public limited companies (As on 31st March, 2020)	Directorship <ul style="list-style-type: none"> • APL Apollo Tubes Limited Committee Membership <ul style="list-style-type: none"> • 1

Notice (Contd.)

Name of the Director	Mr. Sanjay Kumar Gupta	Ms Shruti Srivastava	Mr. Alok Perti
Director Identification Number (DIN)	07579756	08697973	00475747
Date of Birth (Age in years)	21.10.1972(47 years)	08.06.1985 (35 years)	15/05/1952 (68 years)
Date on which appointed on the Board	December 27, 2019	February 20, 2020	June 30, 2020
Qualification	Fellow member of The Institute of Chartered Accountants of India (ICAI) & Insurance Institute of India (III) and Associate member of The Institute of Cost & Management Accountants of India (ICMA) & The Institute of Company Secretaries of India (ICSI). Graduated from Shri Ram College of Commerce (SRCC), Delhi University.	B.A. LL.B. (Hons.) degree from National Law School of India University, Bengaluru with a gold medal	Master's degree in physics. Master's course in Social Planning & Policy in Developing Countries from the London School of Economics and Political Science
Experience and nature of expertise in specific functional area	Mr. Sanjay Kumar Gupta has over 25 years of experience in leadership roles across functions in diverse industries like Steel, Financial Services, Housing & Urban infrastructure Finance etc. He is currently associated with Jindal United Steel Ltd as Chief Financial Officer. He had held leadership roles with Jindal Stainless Ltd., Tata Motors Finance Ltd. & HUDCO. His areas of expertise includes Corporate & Business Finance, Treasury, Financial Planning & Analysis, Corporate Taxation, Risk Management and Strategic assignments of M&A, re-structuring for turnaround of companies etc.	Ms. Shruti Srivastava is a practicing corporate lawyer with approximately 12 years of experience. She started her career with S&R Associates, New Delhi and then moved on to Shardul Amarchand Mangaldas, New Delhi where she was a partner in the corporate and M&A practice since 2016. She has significant experience in general corporate advisory including senior management employment, mergers & acquisitions, private equity and venture capital transactions, debt and equity financing for both listed and unlisted companies and restructuring of businesses. She is currently leading Sagus Legal, a legal advisory firm.	Mr. Alok Perti holds a master's degree in physics. Mr. Perti has also completed a master's course in Social Planning & Policy in Developing Countries from the London School of Economics and Political Science. He joined Indian Administrative Service in 1977 and has worked in various capacities with the Central Government and the Assam Government. He was on the board of several Defence PSUs as official director, where he worked as Joint Secretary in Ministry of Defence. He was also Official director on the board of CIL and NLC when he was serving in the Ministry of Coal. He was also chairman of the Expert Appraisal Committee of the Ministry of Environment and Forest for Hydro-electric and river projects. Apart from this he is also the Director General of the Indian Association of Ammonium Nitrate Manufacturers. Presently he is on the board of IIFCL Projects Ltd, which is a PSU.
Shareholding in the Company as on 31 March 2020	3700	Nil	Nil
Details of remuneration and remuneration last drawn	Sitting Fees of ₹ 40,000 was paid for attending Board	NIL	Sitting Fees of ₹ 2.50 Lacs was paid for attending Board/Committee

Notice (Contd.)

No. of Board Meeting Attended during the financial year 2019-20	1	Not Applicable	5
Terms and conditions of appointment	As detailed in Item No. 3 of the Notice read with the Explanatory Statement thereto	As detailed in Item No. 4 of the Notice read with the Explanatory Statement thereto	As detailed in Item No. 5 of the Notice read with the Explanatory Statement thereto
Disclosure of inter-se relationships between directors and Key Managerial Personnel	Not a relative of any Director and Key Managerial Personnel of the Company as defined under section 2(77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of definitions details) Rules, 2014		
Details of Directorships / Committee Chairmanship and Memberships in other public limited companies (As on 31 st March, 2020)	Directorship <ul style="list-style-type: none"> • Jindal Infrastructure and Utilities Limited • J.S.S. Steelitalia Limited • Virtuous Tradecorp Private Limited • JSL Ferrous Limited Committee membership 2	Directorship <ul style="list-style-type: none"> • Jindal Stainless Steelway Limited Committee membership Not Applicable	Directorship <ul style="list-style-type: none"> • IIFCL Projects Limited • Donkey Sanctuary Welfare Association • Deepak Fertilisers and Petrochemicals Corporation Limited • Nitcon Limited Committee membership Nil

By Order of the Board
For SHALIMAR PAINTS LIMITED

Dated : September 01, 2020
Place : Gurugram

Gautam
Company Secretary
M. No.: ACS 30581

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 Member to cast their votes electronically on the resolutions mentioned in the Notice of the 118th AGM of the Company to be held on Tuesday, the 29th day of September, 2020. The Company has appointed Mr. Naveen Shree Pandey, Practicing Company Secretaries, as the Scrutinizer for conducting the remote e-voting process 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 22nd September, 2020. The remote e-voting period will commence on 26th September, 2020 at 10.00 a.m. (IST) and ends on 28th September, 2020 at 5.00 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 22nd September, 2020, 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 INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

(i) The voting period begins on 26th September, 2020 at 10.00 a.m and ends on 28th September, 2020 at 5.00 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 22nd September, 2020 may cast their vote electronically.

The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on “Shareholders” module.

(v) Now enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials.

Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

	For Shareholders holding shares in Demat Form and Physical Form
Brief Resume	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> 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 as mentioned in instruction (v).

(ix) After entering these details appropriately, click on “SUBMIT” tab.

(x) 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.

- (xi) For shareholders holding shares in physical form, the details can be used only for e-Voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) 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.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “m- Voting”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

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), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to Company/RTA email Id.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / I-Pads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 5 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. 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.
3. 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 shall be

considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

(xx) Note for Non – Individual Shareholders and Custodians

- 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 should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required 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.

If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr.Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, 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 on 022-23058542/4

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

**Gautam
Company Secretary
M. No.: ACS 30581**

**Dated : September 01, 2020
Place : Gurugram**

Director's Report

Dear Shareholders,

The Board of Directors hereby submits the report of the businesses and operations of your Company ('the Company' or 'Shalimar') along with the audited financial statements (Standalone and Consolidated), for the financial year ended March 31, 2020. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

Financial performance

(₹ in lakhs)

Description	2019-20		2018-19	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations & Other Income	34,526.66	34,497.82	28,991.90	28,965.19
Expenses other than Depreciation and Finance Cost	37,737.33	37,737.73	34,932.09	34,932.87
Profit before Exceptional Items, Depreciation, Finance cost & tax	(3,210.67)	(3,239.92)	(5,940.19)	(5,967.68)
Add:				
Exceptional Items	694.89	694.89	(1,567.77)	(1,567.77)
Less:				
Finance Cost	1,985.25	1,985.25	2,504.86	2,504.86
Depreciation & Amortisation expenses	1,083.81	1,085.40	875.91	(877.50)
Profit before tax	(5,584.82)	(5,615.66)	(10,888.73)	(10,917.81)
Provision for taxation				
Current Tax				
Deferred Tax	(1,797.22)	(1,797.22)	(2,731.69)	(2,740.27)
Profit (Loss) after tax	(3,787.60)	(3,818.44)	(8,157.03)	(8,177.54)
Other Comprehensive Income	14.56	14.56	(57.43)	(57.43)
Balance carried to Balance Sheet	(3,773.04)	(3,803.88)	(8,214.46)	(8,234.97)

Results of our operations and state of affairs for financial year 2019-20

Your Company during the year under review suffered a loss (Total loss) of ₹ 3,773.04 /- Lakhs as against loss (Total comprehensive loss) of ₹ 8,214.46 /- Lakhs in the previous year. The revenue from operations and other income of the Company for the financial year 19-20 stood at ₹ 34,526.66/- Lakhs as against ₹ 28,991.90/- Lakhs in the previous year.

Decorative Paints Segment– Decorative paints are generally used for painting of domestic, office and other buildings mainly for enhancement of aesthetic look & protection. Our Company manufactures and markets wide range of decorative paints for interior and exterior surfaces – concrete, plaster, metal or wood etc. We have created established brand like Weather Pro, Xtra Tough premier, Shaktiman exterior emulsion specially designed for exterior surfaces. We have wide range of interior emulsions brand like Signature luxury emulsion, Stay Clean interior emulsion, Superlac Advance, No 1 Silk and Master interior emulsion & NO.1 Distemper. Shalimar enjoys established brand in solvent based product range like Superlac Hi-Gloss synthetic enamel, Superlac satin enamel, lustre finish. Our Company's range of water based paints come with no added lead or mercury and with near zero VOC (Volatile Organic Component).

Industrial Paints Segment– Shalimar manufactures and markets industrial coatings to cater Protective coating sector, Product Finish (OEM, GENERAL INDUSTRIAL SECTOR), Range of marine paints including antifouling paints Packaging coatings for metal decoration including food can lacquers are established products running successfully in different coating lines for years. Industrial paints can again be classified into Heavy Duty Protective Coating, GI Coating, Packaging Coating and Marine Coatings and primarily used for protect the structure from deterioration through corrosion and then beautification. Shalimar is actively involved in providing solution through their expert team to mitigate corrosion by recommending the appropriate coating systems.

Nature of Business

We are engaged in the business of manufacturing of paints.

Dividend

In view of the losses incurred during the year under review, the Board did not recommend any dividend.

Standalone/ Consolidated Financial Statement

As per Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Standalone as well as Consolidated Financial Statements of the Company with applicable Accounting Standards are approved by the Board of Directors of the Company. The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

Director's Report (Contd.)

Operations and Business Performance

Kindly refer to Management Discussion & Analysis and Corporate Governance Report which forms part of this report.

Share Capital

The Company has allotted 6,58,872 equity shares to Hind Strategic Investments - Promoter of the Company on April 08, 2019 through preferential allotment pursuant to the conversion of ECB Loan into Equity. As present the paid-up share capital of the Company is ₹ 10,86,00,518/- divided into 5,43,00,259 Equity Shares of ₹ 2/- each.

General Reserves

The Company has not transferred any amount to the General Reserve during the financial year ended March 31, 2020.

Material changes and commitments affecting financial position between the end of the financial year and date of the report

- The Company has allotted 6,58,872 equity shares to Hind Strategic Investments - Promoter of the Company on April 08, 2019 through preferential allotment pursuant to the conversion of ECB Loan into Equity.
- The Company has got the listing and trading permission from BSE Limited and National Stock Exchange of India Limited in respect of shares allotted pursuant to preferential allotment.

Transfer of amount to Investor Education and Protection Fund

Pursuant to the applicable provisions of the Companies Act, 2013, read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('the Rules'), all unpaid or unclaimed dividends are required to be transferred by the Company to the IEPF established by Government of India, after the completion of seven years. Further, according to the Rules, the shares on which dividend has not been paid or claimed by the shareholders for seven consecutive years or more shall be transferred to the IEPF Authority. Accordingly, the Company has transferred the unclaimed and unpaid dividends of ₹ 4,43,820.00/- (Rupees Four Lac Forty Three Thousand Eight Hundred and twenty Only) to the IEPF.

Tinting Systems

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

Tinting is an economic way of producing a virtually unlimited number of paint colors to meet the exact needs of each individual customer, large or small.

ISO Certifications

Presently, Sikandrabad plant of the company certified for Quality Management System-ISO 9001.

Credit Ratings

The Company has been accorded credit rating of CARE BB+ for long term bank facilities and CARE A4+ for short term bank facilities by CARE Ratings Limited on December 24, 2019.

Employee Stock Option Plan (ESOP)

There were no shares offered by the company pursuant to Employee Stock Option Scheme, 2013 i.e. 'ESOP 2013' of the Company, during the financial year under review. A report as required under the SEBI (Share Based Employee Benefits) Regulations, 2014 and as per the provisions of section 62(1)(b) of the Companies Act read with rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and other applicable Regulations is annexed as '**Annexure A**' to this report.

Directors and Key Managerial Personnel

Appointments/ Re-appointments

During the year under review, -

Mr. Ashok Kumar Gupta was appointed as a Managing Director (Executive Non- Independent) of the Company in the Board Meeting held on December 27, 2019. Further, his appointment was approved by the members of the Company through Postal Ballot on April 14, 2020.

Mr. Ashok Kumar Agarwal was appointed as Non-Executive Independent Director of the Company in the Board Meeting held August 12, 2019. His appointment was ratified by the members of the Company at 117th Annual General Meeting held on September 26, 2019. Mr. Sanjay Kumar Gupta was appointed as Non-Executive Independent Director of the Company in the Board Meeting held December 27, 2019, Ms. Shruti Srivastava was appointed as Non-Executive Independent Director of the Company through Resolution by Circulation on February 20, 2020 and Mr. Alok Perti is re-appointed as Non-Executive Independent Director w.e.f June 30th, 2020 and shall hold office up to the ensuing Annual General Meeting. Your Board recommends their appointments as the Director in the ensuing AGM.

A brief profile of the Directors proposed to be appointed and re-appointed, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is appended as an Annexure to the Notice of the ensuing AGM. The Board

Director's Report (Contd.)

recommends the same for the approval of the shareholders of the Company.

Mr. Gautam was appointed as Company Secretary & Compliance Officer of the Company in the Board Meeting held on August 12, 2019.

Declaration by Independent Directors

The Company has received necessary declarations from each Independent Director under section 149(7) of the Companies Act, 2013, that he/ she meets the criteria of independence laid down in section 149(6) of the Companies Act, 2013 and Regulation 25 of the Listing Regulations.

Nomination and Remuneration Policy

This policy formulates the criteria for determining qualifications, competencies, positive attributes and independence for the appointment of Director (Executive/ Non - Executive) and also the criteria for determining the remuneration of the Directors, Key Managerial Personnel and other employees.

The detailed policy is available on the Company's website link at: https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf

Performance Evaluation

In compliance with the applicable provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors on recommendation of the Nomination and Remuneration Committee has approved and adopted the Evaluation Policy setting out the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors.

The Directors carried out the annual performance evaluation of the Board, Committees of Board and individual Directors along with accessing the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The performance evaluation of independent directors was done by the entire Board of Directors, excluding the director being evaluated.

Directors were evaluated on various aspects, including inter alia active participation, specialization on subject and expressing views, dissemination of information and explanation or response on various queries in the meeting.

The Independent Directors had met separately on February 05, 2020 without the presence of Non Independent Directors and the members of management and discussed inter-alia, the performance of Non Independent Directors and Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

Board and Committee Meetings

During the year under review, Board Meetings and Committee Meetings were held and the intervening gap between the meetings did not exceed the period prescribed under the Act, the details of which are given in the Corporate Governance Report.

Subsidiaries

As on March 31, 2020, the Company has two subsidiaries, namely Shalimar Adhunik Nirman Limited (SANL) and Eastern Speciality Paints & Coatings Private Limited (ESPCPL). None of the Companies has become or ceased to be the Company's subsidiaries, during the year under review.

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

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

Any member desirous of obtaining a copy of said financial statements may write to the Company Secretary at Company's Registered Office. The Company does not have any associate and/or joint venture company.

Auditor reports and auditors

Audit reports

The Auditors' Report for financial year 2019-20 does not contain any qualifications, reservations or adverse remarks. The Auditors' Report is enclosed with the financial statements in this Annual Report.

The Secretarial Auditors' Report for financial year 2019-20 does not contain any qualifications, reservations or adverse remarks. The Secretarial Auditors' Report is enclosed as '**Annexure-C**' to the Director's Report in this Annual Report

As required by the Listing Regulations, the auditors' certificate on corporate governance is forming part to this Director's Report. The auditors' certificate for financial year 2019-20 does not contain any qualifications, reservations or adverse remarks.

Statutory Auditors

As per Section 139 of the Companies Act, 2013 ('the Act'), read with the Companies (Audit and Auditors) Rules, 2014, the

Director's Report (Contd.)

Members of the Company in 115th Annual General Meeting approved the appointment of M/s. A K Dubey & Co., Chartered Accountants (Firm Registration Number: 329518E), as the Statutory Auditors of the Company for an initial term of 5 years i.e. from the conclusion of 115th Annual General Meeting till the conclusion of 120th Annual General Meeting of the Company.

Pursuant to amendments in Section 139 of the Companies Act, 2013, the requirements to place the matter relating to such appointment for ratification by members at every annual general meeting has been omitted with effect from 7th May, 2018.

The Report given by M/s. A K Dubey & Co., Chartered Accountants on the financial statement of the Company for the financial year 2019-20 is part of the Annual Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the financial year 2019-20, the Auditors had 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.

Secretarial Auditors and Secretarial Standards

The Secretarial Audit was carried out by M/s NSP and Associates, Company Secretaries (CP No. 10937) for the financial year 2019-20. The Report given by the Secretarial Auditors is annexed as Annexure –C and forms integral part of this Report. There has been no qualification, reservation or adverse remark or disclaimer in their Report. During the financial year 2019-20, the Secretarial Auditors had 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.

During the financial year 2019-20, your Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Corporate Social Responsibility

Shalimar has been an early adopter of 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 a Company on one hand and the society and environment on the other.

The CSR Policy of the Company is available on the Company's website link at: https://www.shalimarpaints.com/uploads/Corporate_Social_Responsibility_Policy.pdf

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

Listing on stock exchanges

The Company's shares are listed on BSE Limited and National Stock Exchange of India Limited

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

Risk Management

The purpose of Risk Management 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 and formulating strategy to manage these events while ensuring that the risk exposure remains at the defined appropriate levels. The 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.

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 & Analysis section forming integral part of Annual Report.

The Risk Management Policy of the Company, is available on the Company's website link at: <https://www.shalimarpaints.com/uploads/Risk-Management-Policy.pdf>

Internal financial control and its adequacy

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Board of Directors of the Company had discussed in their meeting about the effectiveness and appropriateness of a sound Internal Financial Control System already established in the Company. They also discussed the strength and weakness of the system. They also discussed the various suggestions recommended by the audit committee with the internal auditors. Internal audit department provide an annual overall assessment of the robustness of the Internal Financial Control System in the Company.

Audit Committee

Composition of the Audit Committee of the Board, along with the details of meetings held during the financial year under review and attendance of Committee members at the said meetings, have been provided in the Corporate Governance

Director's Report (Contd.)

Report. All the recommendations made by the Audit Committee during the financial year 2019-20 were accepted by the Board.

BUSINESS RESPONSIBILITY REPORT

Your Company is committed to grow the business responsibly with a long term perspective as well as to the nine principles enshrined in the National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business, as notified by the Ministry of Corporate Affairs, Government of India, in July, 2011.

The Business Responsibility Report ("BRR") of the Company as per the requirements of Regulation 34(2)(f) of the SEBI LODR describing the initiatives taken by the Company from an environmental, social and governance perspective, along with all the related policies can be viewed on the Company's website at <https://www.shalimarpaints.com/uploads/BRR.pdf>.

Vigil Mechanism

The Whistle – blower Policy has been approved and adopted by the Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The Policy also provides protection to the Directors/ employees and business associates who report unethical practices and irregularities.

The Whistle Blower Policy of the Company, is available on the Company's website link at: <https://www.shalimarpaints.com/uploads/Whistleblower-Policy1.pdf>

The Code provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

Extract of Annual Return

The extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **Annexure – E** and Forms part of this report. The same is available on the website of the Company at the link: www.shalimarpaints.com

Significant and Material Orders

There are no significant material orders.

Particulars of Loans, Guarantees or Investments

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2020, are set out in Note 8, 9.

Related Party Transactions

All contracts/arrangements/transactions entered by the Company with Related Parties were in ordinary course of Business and at arm's length basis.

During the year under review, the Company has not entered into any contracts/arrangements/transactions with the Policy of the Company on materiality of related party transactions.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated by the Company.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note 48 to the Standalone Financial Statements of the Company. Form AOC - 2 pursuant to Section 134 (3) (h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is set out in the '**Annexure-F**' to this report.

The Related Party Transactions policy of the Company, is available on the Company's website link at: <https://www.shalimarpaints.com/uploads/Related-Party-Transaction-Policy.pdf>

Policy on Prevention of Insider Trading

Pursuant to the amendments in the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors has amended the Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders and Code of Fair Disclosure. The Board has also framed a policy on investigation in case of leak / suspected leak of unpublished price sensitive information. The Company's Code, inter alia, prohibits dealing in the shares of the Company by an insider, while in possession of unpublished price sensitive information in relation to the Company and also during certain prohibited periods

Sexual Harassment

To foster a positive workplace environment, free from harassment of any nature, we have adopted a policy on prevention of sexual harassment at workplace. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land wherever we operate. We also constituted an Internal Complaints Committee (ICC) in all locations across India to consider and address sexual harassment complaints in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the Calendar year, the Company has not received any complaint.

Director's Report (Contd.)

Particulars of Employees

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 are provided in the prescribed format and annexed herewith as **Annexure - G** 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 Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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 Registered Office of the Company during working hours 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.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out in the '**Annexure-H**' to this report.

Corporate Governance

In terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter "Listing Regulations"), a Report on Corporate Governance along with Compliance Certificate issued by Practicing Company Secretary is attached as **Annexure -I** and forms integral part of this Report (hereinafter "Corporate Governance Report").

Management Discussion and Analysis Report

Management Discussion and Analysis as stipulated under the Listing Regulations is presented in a separate section forming part of this 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, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2019-20.

Directors' Responsibility Statement

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) (to the extent notified) and guidelines issued by SEBI. The IND AS is prescribed under section 133 of the Companies Act, 2013 ('the Act') read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. Effective April 1, 2017, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with applicable transition guidance. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The directors confirm that:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- b) They had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) They had 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) They had prepared the annual accounts on a going concern basis;
- e) They had 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) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Green initiatives

Electronic copies of the Annual Report 2019-20 and the notice of the 118th Annual General Meeting are 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 2019-20 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

Director's Report (Contd.)

Other disclosures

- a. During the year under review, the Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, enactment(s) thereof for the time being in force);
- b. The Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings;
- c. Neither the Managing Director nor the CEO of the Company has received any remuneration or commission from any of Companies subsidiary;
- d. None of the Auditors of the Company have reported any fraud as specified under the second proviso of Section 143 (12) of Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).
- e. The Company does not have any scheme or provision of money for the purchase of its own shares by employees/directors or by trustees for the benefit of employees/Directors.

Cautionary Statement

The statements in the Board's Report and the Management Discussion & Analysis Report describing the Company's objectives, expectations or forecasts may be forward looking within the meaning of applicable laws. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations includes demand and supply conditions affecting selling prices, raw material availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

COVID 19 IMPACTS

Due to the outbreak of Coronavirus Disease 2019 (COVID-19), declared a pandemic by the World Health Organization, the nationwide lockdown was imposed by the Central and State Government(s) to control the spread of the disease. Accordingly the manufacturing facilities of the Company remained closed from 23rd March, 2020 to 19th May, 2020. In compliance with the directives issued by the Government, the Company resumed operations on 20th May, 2020 in a phased manner. The Company ensured the health and safety of all involved stakeholders by enforcing all published Government guidelines for social distancing and safety. As per the resumption plan of the Company, operations will be ramped-up gradually aligned with the market outlook. The aforesaid lockdown has disturbed the economic activity through interruption in manufacturing process, disruption in supply chain, etc. The Company believes that due to strong business fundamentals, this pandemic may not have a significantly adverse impact on the operations and performance of the Company in the long term. Furthermore, the Company has also constituted an internal cross-functional COVID task force that is monitoring the situation.

Acknowledgements

We thank our customers, vendors, investors, bankers, employees for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our continuous operation was made possible by their hard work, solidarity, cooperation and support. We thank the Government of India and government agencies for their support and look forward to their continued support in the future.

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

**Dated : June 30, 2020
Place : Gurugram**

**Ashok Kumar Gupta
Director
DIN: 01722395**

**Alok Perti
Director
DIN: 00475747**

Director's Report (Contd.)

Disclosure in Director's Report

'Annexure-A' to Director's Report

SHALIMAR STOCK OPTION 2013: STATUS AS ON 31.03.2020		
S. No	Particulars	ESOP SCHEME 2013
1	Number of Stock options granted	940,000
2	Pricing Formula	90.73
3	Option Vested	39,250
4	Number of Option exercised	17,875
5	Number of Shares arising as a result of exercise of option	17,875
6	Variation of terms of options	None
7	Number of option lapsed	900,750
8	Money realized upon exercise of options (₹ in Lakhs)	8.16
9	Total number of option in force	21,375.00
10	(a) Options granted to senior managerial personnel	280,000
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of options granted during the year	317,000
	(c) Identified employees who were granted options during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants & conversions) of the Company at the time of grant	280,000
11	(i) Method of calculation of employee compensation cost	Fair Value Method
12	a) Weighted average exercise prices of option granted	90.73
	b) Weighted average fair value of options granted on the date of grant (₹)	97.84
13	Method and significant assumptions used to estimate the fair values of options Black Scholes Valuation Model	Black Scholes Valuation Model
	(i) Weighted average share price / Fair value of share (₹)	135.33
	(ii) Exercise Price (₹)	90.73
	(iii) Annual Volatility (Standard Deviation Annual)	69.57%
	(iv) Time To Maturity - in years	-0.56
	(v) Dividend Yield	0.00%
	(vi) Risk free Rate – Annual	8.15%

Form No. AOC-1

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

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

Part "A" : Subsidiaries

(₹ in Lakhs)

Name of the Subsidiary	Shalimar Adhunik Nirman Limited	Eastern Speciality Paints & Coatings Private Limited
Reporting Period	1 st April, 2019 to 31 st March, 2020	1 st April, 2019 to 31 st March, 2020
Reporting Currency	INR	INR
Share Capital	9.50	5.00
Reserves & Surplus	1,684.71	(2.81)
Total assets	2,726.25	2.99
Total liabilities	2,726.25	2.99
Investments	0.00	0.00
Turnover	0.00	0.00
Profit before taxation	(30.63)	(0.21)
Provision for taxation	-	0.00
Profit after taxation	(30.63)	(0.21)
Proposed Dividend	0	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
For Shalimar Paints Limited

Dated : June 30, 2020
Place : Gurugram

Ashok Kumar Gupta
Director
DIN: 01722395

Alok Perti
Director
DIN: 00475747

**MR-3
SECRETARIAL AUDIT REPORT
(For the Financial Year ended March 31, 2020)**

[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
(L24222HR1902PLC065611)
Stainless Centre, 4th Floor, Plot No. 50,
Sector -32, Gurgaon, Haryana-122001

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

Based on our verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 st March, 2020, the Company has complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter: 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 31 st March, 2020, according to the provisions of:

- (1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (4) 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;
- (5) 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, [herein after referred to as SEBI (LODR), 2015].
 - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (6) We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management:
 - i. Applicable Labour Laws
 - ii. Applicable direct and indirect tax laws
 - iii. Prevention of Money Laundering Act 2002 ;
 - iv. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and
 - v. Forest (Conservation) Act, 1980
 - vi. Regulations & Guidelines issued by Ministry of Environment, Forest and Climate Change, Government of India
 - vii. Regulations & Guidelines issued by Ministry of Water Resources, Government of India
 - viii. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
 - ix. The Air (Prevention and Control of Pollution) Act 1981 and rules made thereunder
 - x. Environment (Protection) Act, 1986 and rules made thereunder
 - xi. Guidelines issue by National Green Tribunal.

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India and
- (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

Director's Report (Contd.)

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period there were no specific events/ actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.

We further report that during the audit period the company has:

1. made allotment of 658,872 Equity Shares on 08th April, 2019.

**For NSP & Associates
Company Secretaries**

(Proprietor)

UDIN: F009028B000396195

FCS No.: 9028

C P No.: 10937

Place : New Delhi

Dated : 30th June, 2020

This report is to be read with our letter of even date which is annexed as "Annexure A" and Forms an integral part of this report.

"Annexure A"

To,
The Members,
Shalimar Paints Limited

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company for the Financial Year ended 31st March, 2020.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For NSP & Associates
Company Secretaries**

(Proprietor)

UDIN: F009028B000396195

FCS No.: 9028

C P No.: 10937

Place : New Delhi

Dated : 30th June, 2020

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

I. 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 value legally, ethically and sustainably. At Shalimar, our Board exercises its fiduciary responsibilities in the widest sense of the term. Our disclosures seek to attain the best practices in international corporate governance. 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. The detailed CSR Policy of the Company is available on the Company’s website link at https://www.shalimarpaints.com/uploads/Corporate_Social_Responsibility_Policy.pdf

II. THE COMPOSITION OF THE CSR COMMITTEE:

The composition of the CSR Committee as on March 31, 2020 is as follows:

Name	Designation	Category
Mr. Ashok Kumar Agarwal*	Chairman	Non-Executive, Independent Director
Mr. Alok Perti	Member	Non-Executive, Independent Director
Mr. Ashok Kumar Gupta**	Member	Executive, Non-Independent Director

*Mr. Ashok Kumar Agarwal was appointed as Chairman of the committee on December 27, 2019 as Mr. Surender Kumar resigned from the Directorship of the Company.

**Mr. Ashok Kumar Gupta was appointed as new member of the Committee w.e.f. May 28, 2019, as Ms. Pushpa Chowdhary had resigned for the Directorship of the Company w.e.f. May 28, 2019.

III. AVERAGE NET PROFIT OF THE COMPANY FOR THE LAST 3 FINANCIAL YEARS: (₹ 4452.79) lakhs

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

V. DETAILS OF CSR SPEND FOR THE FINANCIAL YEAR:

(a) Total amount spent for the financial year: 2.70 Lakhs

(b) Amount unspent, if any: NIL

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

(₹ in Lakhs)

Sr. No	CSR projects/ activities identified	Sector in which the project is covered	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) Project/ Programs was undertaken	Amount Spent on the Projects or Programs		Cumulative Expenditure up to the reporting period	Amount spent : Direct or through implementing agency
					Direct Expenditure on the Projects or Programs	Over-heads		
1.	Promoting Education	Education	West Bengal (Howrah)	2.70	2.70	-	2.70	Directly

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

The Company proposes to incur CSR expenditure in accordance with provision of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014. The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with the CSR objectives and Policy of your Company.

Ashok Kumar Agarwal
Director
DIN: 08154563
Chairman, CSR Committee

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]**

I. REGISTRATION AND OTHER DETAILS

- i) CIN L24222HR1902PLC065611
- ii) Registration Date December 16th, 1902
- iii) Name of the Company Shalimar Paints Limited
- iv) Category of the Company Company Limited by Shares
Sub-Category of the Company Indian Non-Government Company
- v) Address of the Registered office and contact details Stainless Centre, 4th Floor, Plot No. 50, Sector-32, Gurugram, Haryana-122001
Tel.:0124-4616600
Email: askus@shalimarpaints.com
- vi) Whether listed Company Yes
- vii) Name, Address, Contact details of Registrar and Transfer Agents (RTA) BEETAL Financial & Computer Services Pvt,Ltd
BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062
Tel.: 011-29961281-283 Fax 011-29961284
Email: beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ Service	% to total turnover of the company
1	Paints, Varnishes, Enamels or Lacquers	20221	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Shalimar Adhunik Nirman Limited Address: 9A, Cannought Place, Above ICICI Bank, New Delhi 110001	U24220DL2007PLC168944	Subsidiary	99.99%	Section 2 (87) of the Companies Act, 2013
2.	Eastern Speciality Paints & Coatings Private Limited Address: Stainless Centre, 4 th Floor, Plot No. 50, Sector-32, Gurugram Haryana-122001	U24240HR2009PTC066208	Subsidiary	100.00%	Section 2 (87) of the Companies Act, 2013

Director's Report (Contd.)

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

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical Shares	Total	% of Total shares	Demat	Physical Shares	Total	% of Total shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	383216	0	383216	0.71	289045	0	289045	0.53	(0.18)
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Body Corporate	20420839	0	20420839	38.07	20420839	0	20420839	37.61	(0.46)
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (1):-	20804055	0	20804055	38.78	20709884	0	20709884	38.14	(0.64)
(2) Foreign									
a) NRIs – Individuals	1526331	0	1526331	2.85	1526331	0	1526331	2.81	(0.04)
b) Other – Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	5841570	0	5841570	10.89	6500442	0	6500442	11.97	1.08
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other....	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A) (2):-	7367901	0	7367901	13.74	8026773	0	8026773	14.78	1.04
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	28171956	0	28171956	52.52	28736657	0	28736657	52.92	0.4
B. Public shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	53372	1000	54372	0.10	45458	1000	46458	0.09	(0.01)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	332750	250	333000	0.62	332750	250	333000	0.61	(0.01)
g) FIs	251500	0	251500	0.47	251500	0	251500	0.46	(0.01)
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	1869522	0	1869522	3.49	2006322	0	2006322	3.69	0.2
Sub-total (B)(1):-	2507144	1250	2508394	4.68	2636030	1250	2637280	4.85	0.17
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	4144034	9755	4153789	7.74	3149390	4252	3153642	5.81	(1.93)
ii) Overseas	0	0	0	0.00	0	0	0	0	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹ 1 lakh	8433841	275198	8709039	16.24	9550926	218180	9769106	17.99	1.75
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	8074968	0	8074968	15.05	7782212	0	7782212	14.33	(0.72)
c) Others (specify)	961448	0	1246401	2.32	750000	3	750003	1.39	(0.93)
i. Trust	2047	0	2047	0.00	1397	0	1397	0.00	0.00
ii. Non Resident Individual	1059746	0	1059746	1.98	1375791	0	1375791	2.54	0.56
Sub-total (B)(2):-	22676084	284953	22961037	42.80	22609716	222435	22832151	42.06	(0.74)
Total Public Shareholding (B)=(B)(1)+(B)(2)	25183228	286203	25469431	47.48	25246746	222685	25469431	46.92	(0.56)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	53355184	286203	53641387	100.00	54077574	222685	54300259	100	0.00

Director's Report (Contd.)

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Hind Strategic Investments	5841570	10.89	-	6500442	11.97	658872	1.08
2	Hexa Securities and Finance Co. Ltd.	1500000	2.80	-	1500000	2.76	-	-0.04
3	Nalwa Sons Investments Ltd.	1372590	2.56	-	1372590	2.53	-	-0.03
4	Colarado Trading Co Ltd.	1224635	2.28	-	1224635	2.26	-	0.02
5	Nalwa Investments Limited	270569	0.50	-	270569	0.50	-	0.00
6	Jindal Equipment Leasing and Consultancy Services Ltd	102500	0.19	-	102500	0.19	-	0.00
7	Stainless Investments Ltd	82500	0.15	-	82500	0.15	-	0.00
8	Sun Investments Private Limited	82500	0.15	-	82500	0.15	-	0.00
9	Prithvi Raj Jindal	85500	0.16	-	85500	0.16	-	0.00
10	Abhinandan Investments Ltd	55000	0.10	-	55000	0.10	-	0.00
11	Mansarover Investments Ltd.	52500	0.10	-	52500	0.10	-	0.00
12	Surya Kumar Jhunjhnuwala	923286	1.72	-	923286	1.70	-	-0.02
13	Ratan Jindal	165545	0.31	-	165545	0.30	-	-0.01
14	Deepika Jindal	89062	0.17	-	89062	0.16	-	-0.01
15	Sarita Devi Jain	20000	0.04	-	20000	0.04	-	0.00
16	Hina Devi Goyal	50000	0.09	-	50000	0.09	-	0.00
17	Kusum Mittal	50000	0.09	-	50000	0.09	-	0.00
18	S K Jindal and Sons (HUF)	12300	0.02	-	12300	0.02	-	0.00
19	Savitri Devi Jindal	36515	0.07	-	36515	0.07	-	0.00
20	Prithvi Raj Jindal & Sons (HUF)	14606	0.03	-	14606	0.03	-	0.00
21	Naveen Jindal	36515	0.07	-	36515	0.07	-	0.00
22	Sminu Jindal	12468	0.02	-	12468	0.02	-	0.00
23	R. K. Jindal & Sons (HUF)	30750	0.06	-	30750	0.06	-	0.00
24	Sangita Jindal	31000	0.06	-	31000	0.06	-	0.00
25	Opelina Finance and Investment Limited	500	0.00	-	500	0.00	-	0.00
26	OPJ Trading Private Limited	500	0.00	-	500	0.00	-	0.00
27	Gagan Infraenergy Limited	500	0.00	-	500	0.00	-	0.00
28	Virtuous Tradecorp Private Limited	13354462	24.90	-	13354462	24.59	-	-0.31
29	Systran Multiventures Private Limited	100	0.00	-	100	0.00	-	0.00
30	JSL Limited	2321983	4.33	-	2321983	4.28	-	-0.05
31	Sarika Jhunjhnuwala	352000	0.66	-	352000	0.65	-	-0.01

Director's Report (Contd.)

- (iii) **Change in Promoters' Shareholding (please specify, if there is no change):** Yes there is change in promoter shareholding of Hind Strategic Investments pursuant to conversion of ECB Loan into Equity through preferential issue. Also Please note that Company during the year under review issued shares under Rights Issue due to which there is an change in the paid up share capital of the Company which lead to significant change in % of the Holding of the Promoters
- (iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters, and Holders of GDRs and ADRs):**

S. No	Name of the Shareholder	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (April 1, 2018 to March 31, 2019)	
		No of Shares at the beginning of the year	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	Veera Gupta	4682952	8.7301	-	-	-	4682952	8.7301
2	E Q India Fund	1080000	1.9889	06-Sep-19 03-Jan-20	20000 17000	Purchase Purchase	1100000 1117000	2.0258 2.0571
3	Equity Intelligence India Private Limited	1250000	2.302	05-Apr-19 10-May-19 17-May-19 12-Jul-19 19-Jul-19 26-Jul-19 11-Oct-19 18-Oct-19 08-Nov-19 24-Jan-20 20-Mar-20 27-Mar-20	25000 1900 -1900 4400 -2550 -1850 -70000 -30000 -75000 -100000 6000 -6000	Purchase Purchase Sell Purchase Sell Sell Sell Sell Sell Sell Purchase Sell	1275000 1276900 1275000 1279400 1276850 1275000 1205000 1175000 1100000 1000000 1006000 1000000	2.3481 2.3516 2.3481 2.3562 2.3515 2.3481 2.2191 2.1639 2.0258 1.8416 1.8527 1.8416
4	Ganesh Srinivasan	625000	1.151	05-Apr-19 20-Sep-19 08-Nov-19	105500 10250 16000	Purchase Purchase Purchase	730500 740750 756750	1.3453 1.3642 1.3936
5	Assured Fin - Cap Pvt Ltd	789350	1.4537	17-Jan-20	-93948	Sell	695402	1.2807
6	V E C Strategic Growth Fund	484500	0.8923	-	-	-	484500	0.8923
7	National Insurance Company Ltd	332750	0.6128	-	-	-	332750	0.6128
8	V E C Indian Special Situations Master Fund Ltd	251000	0.4622	-	-	-	251000	0.4622
9	Shree Nirman Limited	177795	0.3274	-	-	-	177795	0.3274
10	V E C Strategic Long Term Investment Fund	139780	0.2574	23-Aug-19 30-Aug-19	5000 29000	Purchase Purchase	144780 173780	0.2666 0.32

(v) **Shareholding of Directors and Key Managerial Personnel**

SL. No.	Name of the Directors and Key Managerial Personnel	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Shareholding during the year	
		No. of shares	% of shares				No. of Shares	% of shares
1.	Mr. Ashok Kumar Gupta	1827000	3.3646	-	-	-	1827000	3.3646

Director's Report (Contd.)

(vi) INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	14,687.75	553.37	-	15,241.11
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	25.94	2.81	-	28.75
Total (i+ii+iii)	14,713.69	556.18	-	15,269.87
Change in Indebtedness during the financial year				
Addition	509.58	-	-	509.58
Reduction	3,120.97	553.37	-	3,674.34
Net Change	-2,611.39	-553.37	-	-3,164.76
Indebtedness at the end of the financial year				
i) Principal Amount	12,076.35	-	-	12,706.35
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	84.03	-	-	84.03
Total (i+ii+iii)	12,160.39	-	-	12,160.39

(vii) Remuneration of Directors and Key Managerial Personnel

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

(Amount in ₹)

SL. No.	Particulars of Remuneration	“Mr. Surender Kumar, Managing Director and CEO”	“Mr. Ashok Kumar Gupta, Managing Director”	Total Amount
1	Gross salary			
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	4,563,678	6,506,849	11,070,527
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify	-	-	-
5	Others, specify	-	-	-
	Provident Fund	159,138	-	159,138
	Non-taxable Reimbursements	-	-	-
	Total	4,722,816	6,506,849	11,229,665

Notes:

1. The performance linked variable pay is also included in the remuneration.

Director's Report (Contd.)

B. Remuneration to other directors

(Amount in ₹)

Name of Independent Directors	Fee for attending Board / committee meetings	Commission	Others, Specify	Total
Mr. Gautam Kanjilal	4,40,000	-	-	4,40,000
Mr. Alok Perti	2,50,000	-	-	2,50,000
Mr. Ashok Kumar Agarwal	80,000	-	-	80,000
Mr. Sanjay Kumar Gupta	40,000	-	-	40,000
Ms. Pushpa Choudhary	40,000	-	-	40,000
Total	8,50,000	-	-	8,50,000

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

Sl. No.	Particulars of Remuneration	Mr. Sandeep Gupta - Chief Financial Officer	Mr. Ashish Kumar Bagri - Chief Financial Officer	Mr. Nitin Gupta - Company Secretary	Mr. Gautam - Company Secretary	Total Amount
1	Gross salary					
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	7,192,940	1,878,345	190,159	845,370	10,106,814
(b)	Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
(c)	Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	-Others, specify	-	-	-	-	-
5	Others, specify	-	-	-	-	-
	Provident Fund	222,459	58,093	7,101	28,603	316,257
	Non-taxable Reimbursements					
	TOTAL	7,415,399	1,936,438	197,260	873,973	10,423,070

(viii) Penalties / Punishment / Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

FORM AOC – 2
[Pursuant to Section 134(3) (h) of the Companies Act, 2013 and Rule 8(2) of
the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. DETAILS OF CONTRACTS OR ARRANGEMENTS OR TRANSACTIONS NOT AT ARM'S LENGTH BASIS:

a.	Name(s) of the related party and nature of relationship	N.A.
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date(s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which (a) the requisite resolution was passed in general meetings as required under first proviso to Section 188 of the Companies Act, 2013	

2. DETAILS OF MATERIAL CONTRACTS OR ARRANGEMENT OR TRANSACTIONS AT ARM'S LENGTH BASIS:

a.	Name(s) of the related party and nature of relationship	N.A.
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Date(s) of approval by the Board, if any	
f.	Amount paid as advances, if any	

All related party transactions are in the ordinary course of business and on arm's length basis which are approved by Audit Committee of the Company. There were no material contracts or arrangements entered into during the year.

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

Dated : June 30th, 2020
Place : Gurugram

Ashok Kumar Gupta
Director
DIN: 01722395

Alok Perti
Director
DIN: 00475747

Director's Report (Contd.)

'Annexure - G' to Director's Report

Details 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

Particulars of Employees

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

Relevant Clause u/r 5(1)	Prescribed Requirement	Details			
(i)	Ratio of the remuneration of each director to the Median Remuneration to the employees of the company for the financial year	Ratio of the remuneration of Mr. Ashok Kumar Gupta (Managing Director) to the median remuneration of employees is 61.39. Notes : 1. Sitting fees paid to the Directors have not been considered under this clause			
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any, in the financial year.	KMP	Remuneration 2019-20 (₹)	Remuneration 2018-19 (₹)	Change in %
		Mr. Surender Kumar	4,722,816	13,059,301	-64%
		Mr. Ashok Kumar Gupta	6,506,849	-	
		Mr. Sandeep Gupta	7,415,399	9,281,964	-20%
		Mr Ashish Bagri	1,936,438	-	
		Mr. Nitin Gupta	197,260	1,200,000	-84%
		Mr. Gautam	873,973	-	
Note: While calculating remuneration total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.					
(iii)	Percentage increase in median remuneration of employees in the financial year.	46% Note: For calculation of median remuneration overall payout is considered which includes basic salary, allowances, contribution towards provident fund, statutory bonus and excludes gratuity and leave encashment			
(iv)	Number of permanent employee on the rolls of the company.	617 Employees			
(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;	Average increase in the salaries of employees other than the managerial personnel is 8% which is in line with the average increase of 8% 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.			

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND
FOREIGN EXCHANGE EARNINGS AND OUTGO
Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014**

(A) Conservation of Energy

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.

(I) Steps taken towards conservation of energy:

Shalimar Paints have four existing manufacturing facilities. Out of which 2 plants are currently in operation. All the existing manufacturing facilities continued their efforts to reduce the specific energy consumption. We have introduced 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. We have mapped energy norms at individual machine, product, and individual block and at factory level. In addition, we have started internal benchmarking practices on energy performance, to compare the relative performance between plants. In that process, we have created platform to help share the good practices amongst different plants.

We have also instituted the process of Energy audit across all critical operations, at regular intervals and the findings of the audits are implemented. We have started engaging with external functional experts in the field, to help us understand the gaps and implement the best practices aimed at Energy conservation. All the manufacturing units continue to put their efforts to reduce the specific energy consumption. We have initiated process to do external benchmarking on specific Energy consumption, with similar scale paint manufacturing operations.

We also have instituted process to develop people capability to have our plants certified for Energy Management System – En MS – ISO 50001.

In addition, Process standardization & Batch cycle time reduction initiatives are taken to reduce the energy consumption in all our manufacturing plants. We have also working on debottlenecking few operations to help us to operate at higher throughput rate, which in turn reducing specific energy consumption.

In the recently commissioned new plant at Chennai, we have instituted Energy conservation in the design stage of the plant. The following features are built in the new plant:

- Paint manufacturing block roof structure is designed to have natural air circulation with turbo ventilators to reduce the cost of ventilation. We have already installed natural air circulation with turbo ventilators in two godown (RDC & Calcutta) at Howrah plant to reduce the cost of ventilation.
- Partial translucent roof sheets installed, aiding good lighting inside the process and storage areas, reducing cost of lighting. We have already installed Partial translucent roof sheets inside the process plant, maintenances workshop, resin plant, for sufficient day light inside the areas.
- Installed, IE3 model (energy efficient motors) in all plant operations for energy saving
- We have done energy audit at Nashik Factory. Arrested compressed air leakages and working on Power factor improvement to get it 99.3.
- In Nashik Plant, Air Compressor has been put with VFD for optimised consumption with increasing load pattern.
- In Nashik Plant, revisited the Thermic Fluid heating system and restored the insulation.
- In Nashik Plant, we have been taking trials for in line dispersers which has higher production capacity with reduced power consumption and significantly brings down the specific Power.

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

- Installation of flame proof LED lights inside of the plant. We are on the process for installing LED lights inside of the plant.
- Power factor improved at our SKBD facility from 95 % to 97 % and Chennai facility is continue to maintain above 99 %, there by energy losses in the system has been reduced.
- Proper insulation of Thermic fluid heating unit & it's pipe lines to minimize heat loss.
- Compressed air leakages were audited in plants on periodic basis and leakages were arrested.
- To optimize the power consumption at Chennai plant, lower rated compressor has been installed which has given significant reduction in power consumption.

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

We have initiated plans to install Solar panels in roof, under outsourced model 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.

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

The Company has not spent anything on capital investment to save energy consumption at Chennai facility.

Director's Report (Contd.)

(B) TECHNOLOGY ABSORPTION

(I) The efforts made towards technology absorption:

The Research & Development department (R&D) of our Company is carrying out following activities to fulfil short term & long term business goals of the Company with emphasis on future trend in Coating business.

- Development of new products & processes related to interior & exterior decorative coatings, industrial protective coatings & maintenance coatings and their intermediates
- Continuous value engineering through various means such as design modification, new product development (NPD), process modification, introducing new & alternate raw materials.
- Eco-friendly products development by removing heavy metals & monitoring VOC level in the formulations with an ultimate objective to develop green products.
- Import substitution and identification of new indigenous counter raw materials for development.
- Upgradation of existing products & processes to improve quality, reduce cost, save cycle time, energy consumption & overall operational efficiencies.
- Reduction in factory level losses by optimization of formulation, reduction in processing time, upgradation of measuring devices & minimization of waste generation.
- Undertaking Collaborative development & testing projects with vendors, academia & institutes.
- Not collaborated and absorbed any outsourced or third party technology during the year under review.

(II) The benefits derived as a result of above R&D activities:

- Introduction of new products in the Architectural as well as industrial coating segments.
- Offering more & more environmentally friendly & safe products by eliminating toxic metals & monitoring of VOC level.
- Value engineering & cost optimization.
- Development of industrial products as per Customers' / Consultants' specification.

Following new product in Decorative segment has been developed during the financial year 2018-19:

- Waterborne glossy enamel.

Future plan of action:

- Anti-carbonation coating: This coating will prevent the diffusion of Carbon dioxide and thereby protect concrete structures from the detrimental effects of carbonation.
- Water based red oxide primer: This product is an alternate to solvent based red oxide primer. It is nonflammable, low odour, fast drying with easy clean.
- Water based glossy enamel: This product is an alternate to solvent based enamels. It is Non-flammable, low odour, fast drying with easy clean.
- Water based designer finish: Using this product, we can make various designs on wall.
- Thermal resistant anti corrosion heavy duty aluminium coating
- Super High Build Epoxy Glass Flake coating for chemical plant maintenance
- Low VOC Epoxy Phenolic based Tank liner for OIL and GAS segment
- Establishment of Color Tinting system for Industrial product segment

(III) 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.
- Programs are continuing to make remaining products eco-friendly & free from toxic heavy metals, chemicals without affecting performance & with minimum or no impact on cost.
- Special emphasis on mapping of toxicity levels of raw materials done with an objective to mitigate risk during handling, processing & application.

(IV) The expenditure incurred on Research and Development:

(₹ in Lakhs)

Particulars	FY 2019-20	FY 2018-19
Capital	44.50	30.40
Recurring	323.42	254.82
Total	367.92	285.22

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lakhs)

(Equivalent INR value of various currencies)

Particulars	FY 2019-20	FY 2018-19
Inflow	-321.32	408.19
Outflow	1,396.00	544.63

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. Philosophy on code of Corporate Governance.

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 value legally, ethically and sustainably. At Shalimar, our Board exercises its fiduciary responsibilities in the widest sense of the term. We also endeavour to enhance long-term shareholder value and respect minority rights in all our business decisions.

2. Board of Directors

During the year under review, the Company's Board of Directors comprises six members, one of whom is Executive Director and Five are Non-Executive Independent Directors ("NEDs"). The Board comprise one woman Director. The Board's composition is in compliance with the requirements of Regulation 17(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Section 149 of the Companies Act, 2013 ("the Act"). The Directors possess experience in diverse fields including banking, finance, marketing and consumer industry. The skill and knowledge of the Directors have proved to be of immense value to the Company. The details of Directors seeking re-appointment have been attached along with the Notice of the Annual General Meeting ("AGM").

The Composition and category of the Directors on the Board of the Company as on 31st March, 2020 are given below as:

Name of Director	DIN	Category of Director	No. of Board Meetings attended	Attendance at the last AGM on 26 th September, 2019	No. of Directorship Held in other Companies (A)	No. of Membership/ Chairpersonship in other Board Committees (B)	No. of Shares Held	Names of the Listed Companies where the Person is a Director along with category of Directorship
Mr. Gautam Kanjilal	03034033	Chairman – Independent Non - Executive	5	Yes	4	4	--	Jindal Stainless Limited –, Non-Executive, Non-Independent (Nominee Director) Optimus Infracom Limited – Independent Non- Executive
Mr. Ashok Kumar Gupta (*)	01722395	Non - Independent Executive	5	Yes	1	--	1827000	APL Apollo Tubes Limited Director
Mr. Alok Perti (**)	00475747	Independent Non Executive	5	Yes	3	--	--	Deepak Fertiliser and Petrochemicals corporation Ltd – Independent Director
Mr. Sanjay Kumar Gupta (***)	07579756	Independent Non Executive	1	No	3	--	3700	--

Director's Report (Contd.)

Mr. Ashok Kumar Agarwal (****)	08154563	Independent Non Executive	3	Yes	1	--	--	--
Ms. Shruti Srivastava (****)	08697973	Independent Non Executive	0	No	1	--	--	--

- (*) Mr. Ashok Kumar Gupta was appointed as a managing director of the Company w.e.f December 27, 2019 and his appointment was confirmed by members through Postal Ballot of the Company and the result was declared on April 14, 2020 through special resolution.
- (**) Mr. Alok Perti was re-appointed as an Additional Director of the Company w.e.f. June 30, 2020.
- (***) Mr. Sanjay Kumar Gupta was appointed as an Additional Director of the Company w.e.f. December 27, 2019.
- (****) Mr. Ashok Kumar Agarwal was appointed as an Additional Director of the Company w.e.f August 10, 2019.
- (*****) Ms. Shruti Srivastava was appointed as an Additional Director of the Company w.e.f. February 20, 2020 through resolution by circulation.

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

- (1) Excluding Private Companies, Section 8 Companies and Foreign Companies as per Companies Act, 2013.
- (2) Committees for this purpose mean Audit Committee and Stakeholders' Relationship Committee of Indian public companies.
- (3) None of the Directors are relatives of any other Director as per the provisions of Section 2 (77) of the Companies Act, 2013 read with Rule 4 of Companies (Specification of Definitions Details) Rules, 2014.
- (4) None of the Directors hold equity shares in the Company except Ashok Kumar Gupta and Sanjay Kumar Gupta as on March 31, 2020.

Appointment/ Re-appointment of Directors

Mr. Ashok Kumar Agarwal was appointed as an Additional Director of the Company w.e.f. August 12, 2019.

Mr. Ashok Kumar Gupta was appointed as a Managing Director of the Company w.e.f December 27, 2019 and his appointment was confirmed by the Postal Ballot.

Mr. Sanjay Kumar Gupta was appointed as an Additional Director of the Company w.e.f. December 27, 2019.

Ms. Shruti Srivastava was appointed as an Additional Director of the Company w.e.f. February 20, 2020 through resolution by circulation.

Mr. Alok Perti was re-appointed as an Additional Director of the Company w.e.f. June 30, 2020.

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

Detailed profile and other information as required under Listing Regulations, of the aforesaid proposed appointees will be provided in the Notice of the ensuing Annual General Meeting.

Board Meetings and Annual General Meeting

During the year, the Board met five times on May 28 2019, August 12 2019, November 09 2019, December 27 2019, and February 05 2020. The maximum gap between any two Board Meetings was not more than one hundred and twenty days. All material information was circulated to the directors before the meeting or placed at the meeting, including minimum information required to be made available to the Board as prescribed under Part A of Schedule II of sub-regulation 7 of Regulation 17 of the Listing Regulations. The necessary quorum was present for all the meetings.

During the year, a separate meeting of the Independent Directors was held on February 05, 2020 without the attendance of non-independent directors and members of the management.

Details of attendance of Directors at the Board Meetings held during the financial year 2019-2020 and at the last AGM are as follows:

Name of Director	Number of Board Meeting Attended	Attendance at the last AGM
Mr. Gautam Kanjilal	5	Yes
Mr. Ashok Kumar Gupta*	5	Yes
Mr. Alok Perti**	5	Yes
Mr. Ashok Kumar Agarwal***	3	Yes

Director's Report (Contd.)



Mr. Sanjay Kumar Gupta ****	1	No
Ms. Shruti Srivastava*****	0	No

* Mr. Ashok Kumar Gupta was appointed as a Managing Director of the Company w.e.f December 27, 2019 and his appointment was confirmed by the Postal Ballot.

** Mr. Alok Perti was re-appointed as an Additional Director of the Company w.e.f. June 30, 2020.

*** Mr. Ashok Kumar Agarwal was appointed as an Additional Director of the Company w.e.f. August 12, 2019.

**** Mr. Sanjay Kumar Gupta was appointed as an Additional Director of the Company w.e.f. December 27, 2019.

***** Ms. Shruti Srivastava was appointed as an Additional Director of the Company w.e.f. February 20, 2020 through resolution by circulation.

Board Procedures

The Board meets at least once in a quarter to review the financial results, performance of the Company and other items on the agenda. The Directors of the Company are provided with relevant information required for taking informed decisions at the Board/ Committee meetings. The Board members are provided with well-structured agenda papers and presentations in advance of the meetings. With a view to leverage technology and with the perspective of environmental preservation, agenda papers/ presentations are circulated in electronic form. The Board members may bring up any matter for consideration of the Board, in consultation with the Chairman. Presentations are made by the management on the Company's operations and other matters on a periodic basis. The proceedings of the meetings of the Board and its Committees are recorded in the form of minutes. The important decisions taken at the Board / Committee meetings are communicated to the concerned departments / divisions promptly.

The Board performs various statutory and other functions in connection with managing the affairs of the Company. The key functions includes reviewing and guiding corporate strategy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance and overseeing major capital expenditures, ensuring integrity of the Company's accounting and financial reporting system, financial and operating controls, compliance with the relevant laws.

The Company has issued formal letters of appointment to Independent Directors in the manner as provided in the Act. All the Independent Directors have confirmed that they meet the criteria of independence as laid down under the Act and the Listing Regulations.

None of the Directors on the Board is a Director in more than 20 companies (including not more than 10 public limited companies) as specified in Section 165 of the Act. In terms of the regulations of SEBI LODR, none of the Directors of the Company:

- i. holds Directorship in more than eight listed entities, and;
- ii. are member in more than 10 committees or acting as a Chairperson of more than 5 committees across all listed entities.

Further, for the purpose of determining the limit of the Board Committee, chairpersonship and membership of the Audit Committee and the Stakeholders' Relationship Committee alone has been considered as per Regulation 26 (1) (b) of SEBI LODR.

Also, none of the Independent Directors of the Company:

- i. serves as an Independent Director in more than seven listed companies, and;
- ii. acts as a whole-time Director in any listed entity

The NEDs of the Company are paid sitting fees for attending meetings of the Board and Committees thereof. The Executive Director is being paid remuneration. At present, the Board is headed by an Independent Non - Executive Director as a Chairman.

Code of Conduct

The Company has adopted the Code of Conduct for the members of the Board and Senior Management Personnel including the Managing Director and Executive Director of the Company. All NED's and Independent Directors have affirmed compliance with the said Code for the financial year ended March 31, 2020 and all Senior Management of the Company have affirmed compliance with the same. The Codes of Conduct are also displayed on the Company's web site under the web-link https://www.shalimarpaints.com/uploads/Code_of_Conduct.pdf. The Annual Report of the Company contains a Certificate duly signed by the Managing Director of the Company.

Code for Prevention of Insider Trading Practices

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information ("the Code") to its management staff. The Company Secretary is the compliance officer under the Code responsible for complying with the procedures, monitoring adherence to the rules for the prevention.

Director's Report (Contd.)

Disclosures 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.

Training of Directors

The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings.

The Board members of Shalimar are eminent personalities having wide experience in the field of Business, Finance, Education, Industry, Commerce and Administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

Periodic presentations are made by Senior Management, Statutory and Internal Auditors at the Board/Committee meetings on business and performance updates of the Company, global business environment, 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 new Board Members are also requested to access the necessary documents/ brochures, Annual Reports and internal policies available at our website www.shalimarpaints.com to enable yourself to familiarize with the Company's procedures and practices.

Familiarisation Program for independent directors

The Company has an appropriate induction programme for new Directors and an ongoing familiarisation programme, with respect to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc. The details of the familiarisation programme are disclosed on the Company's website under the weblink: https://www.shalimarpaints.com/uploads/Policy_on_Familiarisation_Program_for_Independent_Directors.pdf

3. Audit Committee

As on March 31, 2020, the Company's Audit Committee comprises entirely of three Independent Directors. Further, at present the composition of Audit Committee includes three directors out of which two is Independent Director and one is Non- Independent Director. The Composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Listing Regulations. Each Member of the Committee has the relevant experience in the field of finance, banking and accounting. The Committee has, inter alia, the following terms of reference:

- i. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- ii. The recommendation for appointment, remuneration and terms of appointment of auditors of the Company
- iii. Approval of fees to statutory auditors for any other services rendered by the statutory auditors
- iv. 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 clause (c) of sub-section 3 of section 134 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
 - Qualifications in the draft audit report
- v. Reviewing, with the management, the quarterly/ half yearly/ annually financial statements before submission to the board for approval;
- vi. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- vii. Approval or any subsequent modification of transactions of the company with related parties;
- viii. Scrutiny of inter-corporate loans and investments;
- ix. Valuation of undertakings or assets of the Company, wherever it is necessary;
- x. Evaluation of internal financial controls and risk management systems;

Director's Report (Contd.)

- xi. Examination of the financial statement and the auditors' report thereon;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Discussion with internal auditors of any significant findings and follow up there on;
- xiv. 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;
- xv. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvi. To review the functioning of the Whistle Blower mechanism;

The Committee met Five times during the period under review on May 28 2019, August 12 2019, November 09 2019, December 27 2019, and February 05 2020. The necessary quorum was present for all the meetings.

The Company Secretary acts as the Secretary to the Audit Committee. The Chairman of the Audit Committee, Mr. Gautam Kanjilal was present at the last Annual General Meeting. The composition and attendance of the members of the Committee is given below:

Name of the Member	Category	No. of Meetings attended
Mr. Gautam Kanjilal	Chairman – Non Executive Independent Director	5
Mr. Alok Perti	Member - Non Executive Independent Director	5
Mr. Ashok Kumar Gupta*	Member - Executive Non-Independent Director	4

* Mr. Ashok Kumar Gupta was appointed as new member of the Committee w.e.f May 28, 2019.

4. Nomination and Remuneration Committee

As on March 31, 2020, the Company's Nomination and Remuneration Committee comprises entirely of three Non-Executive Directors. Further, at present the composition of Nomination and Remuneration Committee includes three Independent directors. The Composition of the Nomination and Remuneration Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations. The Committee has, inter alia, the following terms of reference:

- i. Recommend to the Board the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a Director". The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- ii. Recommend to the Board the appointment or reappointment of Directors.
- iii. Recommend to the board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee).
- iv. Carry out evaluation of every Director's performance and support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. This shall include "formulation of criteria for evaluation of performance of Independent Directors and the Board".
- v. Recommend to the Board the remuneration policy for Directors, executive team or KMP as well as the rest of the employees.
- vi. On an annual basis, recommend to the Board the remuneration payable to the Directors and oversee the remuneration to executive team or KMP of the Company.
- vii. Oversee familiarisation programmes for Directors.
- viii. Provide guidelines for remuneration of directors on material subsidiaries.
- ix. Recommend to the Board on voting pattern for appointment and remuneration of Directors on the boards of its material subsidiary companies.
- x. Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter.

Director's Report (Contd.)

The Committee met three times during the period under review on May 28, 2019, August 12, 2019 and December 27, 2019. The necessary quorum was present for all the meetings.

The Company Secretary acts as the Secretary to the Nomination and Remuneration Committee. The Chairman of the Nomination and Remuneration Committee, Mr. Alok Perti was present at the last Annual General Meeting. The composition and attendance of the members of the Committee is given below:

Name of the Member	Category	No. of Meetings attended
Mr. Alok Perti	Chairman – Non Executive Independent Director	3
Mr. Gautam Kanjilal	Member – Non Executive Independent Director	3
Mr. Ashok Kumar Agarwal*	Member – Non Executive Independent Director	1

* Mr. Ashok Kumar Agarwal was appointed as new member of the Committee w.e.f December 27, 2019.

Mr. Ashok Kumar Gupta was appointed as Executive Director w.e.f December 27, 2019 consequently resigned from the member of the Nomination and Remuneration Committee.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is posted on the Company's website link at: https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf

Details of the Remuneration to Directors during the Financial Year 2019-20

All the non-executive 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 directors during the financial year 2019-20 are given below:-

Name of Director	Sitting Fees
Mr. Gautam Kanjilal	₹ 4,40,000.00/-
Mr. Alok Perti	₹ 2,50,000.00/-
Mr. Ashok Kumar Agrawal	₹ 80,000.00/-
Mr. Sanjay Kumar Gupta	₹ 40,000/-

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

Name	Salary (₹)	Other Allowances (₹)	Contribution to PF and Other funds (₹)	Total (₹)	Period of Agreement	Notice Period
Mr. Ashok Kumar Gupta	6,506,849/-	0	0	6,506,849	Attain the age of superannation / retirement which is 60 years	2 months

Mr. Ashok Kumar Gupta appointed as Managing Director w.e.f. December 27, 2019.

5. Stakeholders' Relationship Committee

As on March 31, 2020, the Company's Stakeholders' Relationship Committee ("SRC") comprises entirely of three Directors. The Composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations.

The Company has constituted Share Transfer Committee which merely deals with processing Share transfers requests with consultation with Registrar and Share Transfer Agents of the Company. All valid share transfers lodged upto March 31, 2020, have been processed by the Committee. Investor grievances are placed before the Committee. There were no pending investor complaints which remained unresolved. The Company has also cleared all complaints received through SEBI Complaints Redress System ("SCORES") - a centralized web based complaints redress system which serves as a Centralised database of all complaints received, enables uploading of Action Taken Reports ("ATRs") by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status. The status of the complaints received from shareholders from April 1, 2019 to March 31, 2020 is as under:

No. of complaints pending as on April 1, 2019	Nil
No. of complaints received during the year	Nil
No. of complaints redressed during the year	Nil
No. of complaints pending as on March 31, 2020	Nil

Director's Report (Contd.)

The SRC met four times during the period under review on May 28, 2019, August 12, 2019, November 09, 2019 and February 05, 2020. The necessary quorum was present for all the meetings.

The Company Secretary acts as the Secretary to the Stakeholders' Relationship Committee. The Chairman of the Stakeholders' Relationship Committee, Mr. Alok Perti was present at the last Annual General Meeting. The composition and attendance of the members of the Committee is given below:

Name of the Member	Category	No. of Meetings attended
Mr. Alok Perti	Chairman – Non Executive Independent Director	4
Mr. Gautam Kanjilal	Member – Non Executive Independent Director	4
Mr. Ashok Kumar Gupta*	Member –Executive Non Independent Director	3

* Mr. Ashok Kumar Gupta was appointed as new member of the Committee w.e.f May 28, 2019.

6. Corporate Social Responsibility Committee

As on March 31, 2020, the Company's Corporate Social Responsibility (CSR) Committee comprises entirely of three Directors. The Composition of the CSR Committee is in compliance with the provisions of Section 135 of the Companies Act, 2013 and Listing Regulations. The Committee has, inter alia, the following terms of reference:

- 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

The CSR Committee met once during the period under review on February 05, 2020. The necessary quorum was present for the meeting.

The Company Secretary acts as the Secretary to the CSR Committee. The Chairman of the CSR Committee, Mr. Ashok Kumar Agarwal was present at the last Annual General Meeting. The composition and attendance of the members of the Committee is given below:

Name of the Member	Category	No. of Meetings attended
Mr. Ashok Kumar Agarwal*	Chairman – Non Executive Independent Director	1
Mr. Alok Perti	Member – Non Executive Independent Director	1
Mr, Ashok Kumar Gupta**	Member – Executive Non Independent Director	1

* Mr. Ashok Kumar Agarwal was appointed as new member of the Committee w.e.f December 27, 2019.

** Mr. Ashok Kumar Gupta was appointed as new member of the Committee w.e.f May 28, 2019.

Corporate Social Responsibility Policy

The Corporate Social Responsibility Policy of the Company is posted on the Company's website link at: https://www.shalimarpaints.com/uploads/Corporate_Social_Responsibility_Policy.pdf

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

7. Subsidiary Companies

The Company has two unlisted subsidiary companies, viz. Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited, which are not material as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Audit Committee of the Company reviews the financial statements of these Subsidiaries.

The Company monitors performance of its subsidiary companies, inter alia, by the following means:

- The Audit Committee reviews the Financial Statements of the subsidiary companies, on a quarterly basis.
- The Board of Directors reviews the Board meeting minutes and statements of all significant transactions and arrangements, if any, of the subsidiary companies.

Your Company does not have a material Indian subsidiary. The Company's Policy on Material Subsidiaries is posted on the Company's website link at: https://www.shalimarpaints.com/uploads/SPL_Material_Subsiidiaries.pdf

8. CEO/CFO Certification

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Ashok Kumar Gupta, Managing Director and Mr. Ashish Kumar Bagri, CFO of the Company has certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.

Director's Report (Contd.)

Company's website:

The website of the Company is www.shalimarpaints.com contains all relevant information about the Company's Annual Reports, Shareholding Patterns, Results and all other material information as and when prepared are updated on this site.

9. General Body Meetings

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

Financial year ended	Date & Time	Venue	Items approved by Special Resolution
31 st March 2019	September 26, 2019 at 4:00 P.M.	Nirvana Patio Club, Nirvana Community Ground, Opposite Court Yard Market, Nirvana Country, Southcity-2, Sec-50, Gurgaon, Haryana 122001	<ul style="list-style-type: none"> Appointment of Mr. Ashok Kumar Agarwal (DIN: 08154563) as Non-Executive Independent Director of the Company.
31 st March 2018	September 26, 2018 at 11:00 A.M.,	Hilton Garden Inn, Baani Square, Sector 50, Gurgaon-122002	<ul style="list-style-type: none"> Re-appointment of Mr. Gautam Kanjilal (DIN: 03034033) as Chairman cum Independent Non-Executive Director of the Company Appointment of Mr. Ashok Kumar Gupta (DIN: 01722395) as Vice - Chairman cum Non-Executive Non-Independent Director of the Company Revision of remuneration structure of Mr. Surender Kumar – Managing Director and CEO of the Company Conversion of Unsecured Loans into the Equity through the Rights Issue
31 st March 2017	September 28, 2017 at 11:00 A.M.	Galaxy Hotel Shopping & Spa, NH-8, Sector 15, Part-II, Gurgaon-122001	No matter was approved through special resolution

During the financial year 2019-20, the Company has conducted one postal ballot to obtain members approval for the following resolution as stated in the table below. A snap shot of the voting results are as follows:

Name of the Resolution	Type of Resolution	Number of valid Postal Ballot forms Received (In Shares)	Votes cast in favour of the Resolution		Votes against the Resolution	
			No. of votes cast	%	No. of votes cast	%
Appointment and Payment of remuneration to Mr. Ashok Kumar Gupta as a Managing Director of the Company	Special	0	28836017	99.99	3718	0.01

Mr. Naveen Shree Pandey of M/s NSP & Associates, Practicing Company Secretaries, were appointed as the Scrutinizer for carrying out the Postal Ballot in a fair and transparent manner. The results of Postal Ballot is available on the website of the Company.

10. Disclosure

- i. All transactions entered into with Related Parties as defined under the Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Act. Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to the Financial Statements.

The Policy for dealing with Related Party Transactions has been uploaded on the Company's website at the following link: https://www.shalimarpaints.com/uploads/Policy_on-materiality-of-related-party-transactions-and-on-dealing-with-related-party_transactions.pdf

- ii. The Company has complied with the requirements of the Stock Exchanges / Securities and Exchange Board of India / Statutory Authorities on all matters relating to capital markets, during the last three years.
- iii. In accordance with the requirement of the Act as well as the Listing Regulations, the Company has adopted the Whistle Blower Policy pursuant to which employees can raise their concerns relating to fraud, malpractice or any other activity or event which is against the Company's interest by approaching the Ethics Counsellor or Chairman of the Audit Committee. The policy has been disclosed on the website of the Company under the link <https://www.shalimarpaints.com/uploads/Whistleblower-Policy1.pdf>

11. MANAGEMENT DISCUSSION AND ANALYSIS

INTRODUCTION

Established in 1902, it can be said that the history of Shalimar Paints is the history of the paints industry in India and also in South East Asia. 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 10,000 shades across all product lines to its customers. Some of India's iconic buildings and structures such as the Howrah Bridge, Rashtrapati Bhawan, Salt Lake Stadium, All India Institute of Medical Sciences, and many others, continue to be painted with Shalimar Paints. The company currently has two operational units- Chennai (Tamil Nadu) that was set up to serve the south market in 2017 and Sikandarabad (Uttar Pradesh) set up in 2002 with the total capacity of 33,000 KL per annum. Nashik facility has also been reinstated and it is expected to have an annual capacity of 25,000 kilolitres. The operation has already started from April 2019. Howrah unit's operations remains suspended after fire broke out in 2014. The company will resume the work post clearance from the West Bengal government. The company has sales and distribution network of more than 5,300 active dealers, 32 sales depots, and 3 regional distribution centres across all four zones in India. 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 caters to consumers from Nepal, UAE and Bhutan. Recently, the company has added another country in its distribution channel i.e. Seychelles.



INDUSTRY DEVELOPMENT

Paint industry in India is largely dominated by organized players accounting for 65% of the market while the unorganized players accounting for the rest 35%. The Indian paint sector has grown extensively over the years at an impressive CAGR of 15%. According to forecasts, the industry was likely to surpass INR 50,000 crore by the end of 2020. The

industry is divided into two categories- decorative and industrial. Demand of Decorative Paints that hold 75% of the market is significant during the festive season that arises from household painting and other display purposes. With an increasing disposable income, the percentage of middle class is expected to expand to 69 percent by 2020. 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.

Further the government of India has announced various reforms to revive the real-estate sector for both home buyers and the developers. Growing middle-class with higher disposable incomes, rising urbanization and nuclear family structure, premiumization and shorter repainting cycle, low penetration and per capita spending on painting and triggers like government focus on housing & infrastructure development, GST and e-way bill implementation, increasing consumer involvement in the painting process, growing adoption of new styles/ designs/ textures, increasing urbanization and rising disposable income are some of the major factors contributing to the growth of Paints sector.



OPPORTUNITIES AND THREATS

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. Though the decision of the GST Council to cut down the tax rates has boosted the demand, the rising raw material cost is still the biggest challenge.

Director's Report (Contd.)

As oil prices have witnessed a sharp rise in the past one year, inflationary cost pressures will continue to weigh on margins.

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.

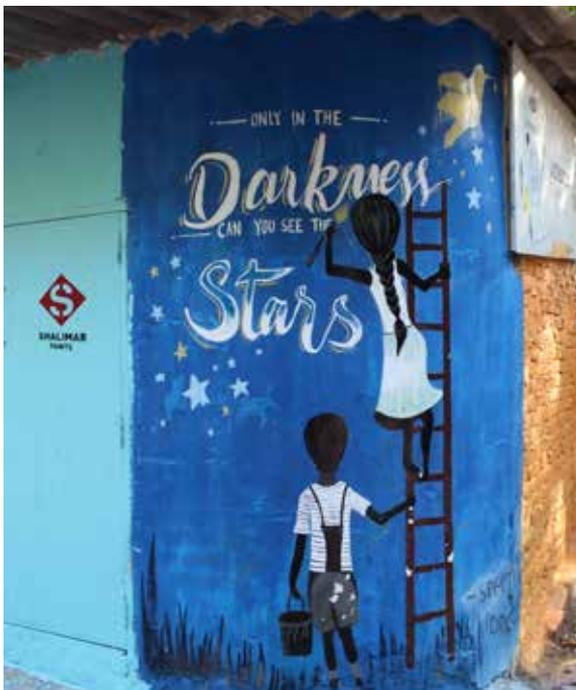
Another threat to this industry is that the competition does not lie just within the paint industry. Any brand, be it into decoration or furniture, in which a consumer is ready to spend money to decorate his home is our competitor.

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

MARKETING

Marketing plays a vital role in generating consumer and customer awareness and interest for a consumer facing company like Shalimar Paints. The Company has followed a tiered network strategy to engage with influencer network and to upgrade the capabilities of dealers and painters in customer engagement at the stores and homes.

Keeping this in strategy in mind, this year we launched the painter loyalty program called Shalimar Paints EXPERT program where in the painters get a chance to earn loyalty points on their each purchase of our products. The registered painter base already has increased up to 19000+ painters in 6 months. The painters are getting benefitted out of these program as they have already redeeming mobile phones,



home and kitchen appliances and even automobiles from the accumulated points. This loyalty program is the biggest brand building initiative for the company within limited resources we have, as it helps in reaching & connecting to the most important influencer which is painter & contractor. 45% of the industry retail sales is triggered through this influencer.

Aimed at capturing a larger mindshare of the consumer by increasing our brand presence at the ground level, we launched ground breaking advertising campaign called "Har Rang Khoobsurat". A one-of-a-kind brand initiative to articulate its message of inclusivity and equity to audiences across India through a 360-degree marketing campaign via radio, outdoor, and digital mediums. The campaign was widely covered by mainline, ad and marketing media, presenting Shalimar as a bold brand and its approach to change opinionated and judgmental mindset of the society. 200+ coverage appeared from different centres talking about the campaign. The campaign was highly leveraged in regional markets as those were major dealer markets for the brand.

Shalimar Paints has always been at the forefront when it comes to helping others. In sync with this vision, the company has launched & executed few CSR campaigns such as Colour A Life, The Kahaani Project, and Rang Badlav Ke, among others, to spread awareness around critical challenges faced by people in our country.

The Kahaani Project was aimed at enhancing the beauty and preserving the heritage of Tauli Bhud, a village located near Dehradun, Uttarakhand. Through the campaign, we celebrated the culture and traditions of Tauli Bhud in a unique, artistic, and colorful manner. As part of the campaign, we collected folk stories from the village, converted them into images and paint them on the walls of the village homes.

Shalimar Paints, being a responsible corporate, came up with a CSR Campaign in collaboration with Shroff Eye Foundation called "Colour A Life". With this campaign Shalimar Paints took an initiative to bring colours to the lives of the blind kids, bridged the gap between the darkness & colours by introducing the concept of "Colour A Life". Shalimar Paints transformed the recovery rooms of eye hospitals by painting them with vibrant colours which gave them a view that till now would have only existed in their imaginations. Visually impaired children are gifted with special talents and if at all they need anything



Director's Report (Contd.)

it is the eye sight. Through this campaign we wanted to bring the awareness of eye donation and inspire people take a pledge to donate their eyes. The Film of this initiative garnered a lot of appreciation. It also received a prestigious VIDEA Award by InksPELL Media under "The Best Video Content in the CSR Category".

The Brand also received remarkable coverage in prominent publications including TOI, ET Brand Equity, FE Brandwagon, Afaqs, Medianews4u, Adgully, Exchange4Media etc.

On digital front, we strategically kept our communication mix of products, decor tips, color games, etc. We also did many campaigns around trending topics along with engaging posts around contests.

We capitalized on many trending topics like Diwali, Holi, Republic Day, Women's Day, etc.

#HarRangKhoobsuratPhotography contest was the contest done to gain visibility among the new audience and leverage the path breaking campaign done by the brand. The contest received very good response from all platforms with over 1500 entries and engagement rate of 20%. Digital amplification of both our CSR campaign #ColourALife activity were also done with platform specific strategy and helped the brand spread its message.

SEGMENT-WISE OR PRODUCT WISE PERFORMANCE

Industrial has always been our strength. We have a very strong hold in protective and marine coatings. Our Company had launched cost effective version of Epoxy, Poly Urethane, Zinc Silicate specially for the dealers dealing in Epoxy and Poly Urethane. We are also working on High end industrial products like Glass Flake Epoxy, Glass flake coatings offer excellent resistance to oil, gas, moisture, chemicals, and many solvents. The market is mainly driven by the increased demand for glass flake coatings to coat substrates such as steel and concrete in the oil & gas, marine, and chemical & petrochemical end-use industries. Epoxy-based glass flake coatings have different properties, including superior anti-corrosion properties and longer service life, which make them highly useful for coating steel structures used in industrial plants, tank exteriors, oil tanks, pipelines, and cooling towers. The glass flake coatings market is expected to grow at a CAGR of 4.48% from 2017 to 2022.



We also implemented integrated mono packs in smaller SKUs through retail trade to broaden our horizon and penetrate in deeper pockets. We also focused our business more towards decorative segment as this brings us closer to the customers. Today, Shalimar Paints has array of products catering to different industries and suitable to style and class across. Our range comprises of Emulsions (Exterior and Interior), Enamels, Distempers, Wood finishes, Metal surfaces Cement Paints and Putty.

We have entered into the hygiene space with the launch of Shalimar Health, under which we are introducing products like Shalimar Clean Instant Hand Sanitizer (Liquid & Gel), Shalimar Clean Fruits & Vegetables Cleaning Spray, Shalimar Clean Disinfectant Surface Spray and Shalimar Clean Multi-purpose Disinfectant. Our state-of-the-art R&D team is also constantly undertaking product research and innovations to bring across best in class quality products for the consumers. There persistent effort of developing products with cutting down the input cost but without comprising on the quality standards will definitely give us an edge over the other players in the market.

RISK AND CONCERNS

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

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 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 white-washing 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.

In the post-COVID era, however, the challenges will change drastically.

INTERNAL CONTROL SYSTEMS

The internal control system is an integral part of the general organizational structure of the Company. The system is highly structured and totally in sync with the size and nature of its business. This process is aimed at pursuing the 44 45 values of both procedural and substantial fairness, transparency and accountability. External audit firms are appointed at various locations of the Company to conduct regular audits. The internal control system is basically a set of rules, regulations, policies and procedures which run on softwares with in-built authorizations for enhanced control. The organisation is appropriately staffed with qualified and experienced personnel for

Director's Report (Contd.)



implementing and monitoring the internal control environment.

INFORMATION TECHNOLOGY

Shalimar Paints continues to invest in Information Technology (IT) to enhance customer experiences, improve productivity and bolster agility by refining operational efficiency through automation and better data-driven insights. IT is today embedded into virtually all operating processes of the Company's business, enabling it to successfully implement a wide variety of strategic and tactical initiatives. Shalimar Paints on Business Analytics to empower Shalimar Leadership team for speedy and accurate decisions. Implementation of advance version of Business Analytics System has helped us to get cleaner and authenticated data. Understanding the importance of Business Process along with Technology, Shalimar Paints executed the program "CBPI – Continuous Business Process Improvement" which helped the company to simplify and automate various business processes covering different functions like Sales, Supply Chain, Procurement, Finance and Manufacturing. IT Infrastructure is the central nervous system of any organisation. We ensured Shalimar Paints has robust IT Infrastructure, delivering 99.9% Enterprise IT Infra uptime. Successful pilot of RPA – Robotics Process Automation for finance and billing processes was the key highlight. The company also did the successful trial of the POC (Proof of Concept) for Chatbots to implement in Sales and HR Functions and IoT in Manufacturing Plants.

Organization can seldom rely on their manpower & manual methods for payments and treasury processes. Treasury and cash managers are interested in harmonizing and standardizing their payment infrastructure and Process to increase compliance, improve efficiency and reduce risk of frauds. Your Company implemented SAP Multi Bank Connectivity which is integrated our SAP with HDFC bank and ready to integrate with any bank. This facilitates Electronic Integration between Bank and

SAP with complex environment of communication interfaces, including point-to-point connections and secure FTP protocol connection along with fully automated stringent process to handle end to end payments in SAP to banking system. With this, we have established system with banks to automatically send payment instructions, receive status notifications, receive bank statements, and receive log messages. Leveraging the monitoring capabilities, we can now supervise the status of all payment and see bank statements & automatic reconciliation of the Bank Statement.

Shalimar Paints have hundreds of assets spread across the factories and depots. This includes, machinery in factories, furniture's and equipment's, IT Assets, Buildings, Tinting machines, Electrical equipment, various tools and electronics equipment in R&D so on. These assets were being managed in excel until now... however; it was imperative to implement EAM – Enterprise Asset Management Solution in Shalimar Paints considering large value of assets and number of assets. EAM is important because it helps to track, assess, and manage assets – Complete life cycle of Assets. Asset Management system implementation will help us to prepare detailed database of all Assets spread across offices, keep track of assets, maintain details like Purchase details, age, depreciation, locations, values, useful life, asset register as per income tax act, asset register as per company act. EAM is also integrated with Procurement Module to updates the books automatically on purchase of new asset.

You company has migrated current analytics to new elevated platform "Qlik Sense" which is Cloud based Self Serviced BI Tool. It basically includes quantitative and statistical analysis, predictive modelling, data mining. This platform provides flexibility to users to draw their own reports and dashboard, do analysis on their own. Helps in understanding primary, secondary and further drilled data trails more comprehensively, which, in turn, affects the operational efficiency of several departments in the organization. Platform has various analysis and dashboard for Sales, Inventory, Supply Chain, Commercial, Finance, Costing, Manufacturing, Vector flow etc. 50+ Various MIS and analysis are available, and user can draw further on his own with drag and drop feature. New Solution is helping us for curtailing risks, accurate decision making, achieving efficiency, gaining valuable insights. Our time of MIS preparation has drastically gone down after implementation of new Analytics Platform.

Usage of Videoconferencing solution has seen to have increased a lot in past 2 years in your organisation. Most of the weekly and monthly reviews and unplanned discussion happens through Videoconferencing. Considering this fact, we have upgraded our VC solution to newer platform. New solutions come with better performance, works on any platform and on any device... This solution is being used in boardroom as well on end points. This solution can be integrated to any third-party solution so that vendors, partners, bankers etc can come on

Director's Report (Contd.)



this platform. This solution does not just limit to call but includes the features like chat, discussion groups, screen shares, file shares, to do task

AWARDS & RECOGNITIONS

Our Ex-CIO Mr. Ashok Jade, got featured in the ET CIO in their "CIO's Watch" program as the Industry Leader

SUPPLY CHAIN

This year SCM drive on excellence on processes and optimization of cost in various areas. TOC was implemented and stabilized in Finished Goods planning as well as in Raw material & packaging material procurement with the help from Vector consulting group. 3PL model at East and West Zones yielded results in improving service levels and thereby increasing customer satisfaction indices. With a view to improve Service and Inventory Control warehouses were consolidated, RDC's were moved upstream and



merged with Production Units. Continuous efforts were put in order to be an effective and agile Supply Chain with control over point of operations.

Nashik and Chennai Plant Production ramp up was done successfully during Q3. Nashik Plant supported in improving timely deliveries to West Industrial customers.

HR INITIATIVES

People are the essential part of the organization. People are foundation and pillar that hold the organization strong and tall as they provide skills and competencies necessary to make organizational strategies work. Numerous efforts are taken to engage the energies and enthusiasm of the employees in the most competent way. The employee on joining undergoes a functional and cultural familiarization process through our induction process. The company lays a lot of emphasis on employee engagement by taking an initiative with HR Employee connect programme - "Coffee with HR".

In order to engage all employees together as an organization we launched our Internal Newsletter - "Shalimar Pulse", a quarterly Magazine. The motive behind this launch was to connect all, highlight and appreciate the efforts put in different areas of the organization by putting them on a common platform.

Along with this multiple employee engagement activities were there like Health Checkup Camps, Safety Drive, Monthly Birthday, Festival Celebrations, Expert Program, Reward & Recognition etc.

Under our employee Engagement program "Shalimar Connect", for the first time we connected all our employees across all location through Zoom video call. This was conducted on 4th February 2020 to honour our employees with "Star Performer Award" & "Star Performer for Zero Overdue" award.

Under R&R we also launched Appreciation/Recognition cards with various themes like "Congratulations", "Your hard work is appreciated", "Awesome work", "You are a great team player", "Thank you for taking initiative", "You make a difference", "Thank you" & "You made it happen" cards

In the area of manpower, we have hired 180 employees including 4-5 critical leadership positions in the organization in 2019- 20. We have also launched the GET program under which 6 GET were hired from HBTU and 2 from University of Calcutta.

We also launched a unique Sales Incentive program in FY 19-20. In Q1 our focus was on reducing OD along with achieving sales target & Painter Activation. In Q2 we also added focus products as separate scheme & penalty clause for OD reduction. In Q3 & Q4 We redesigned Sales target, added Shop meets, "ZEOR OD bonus" & for SIP disbursement we added eligibility clauses for sales and collection. In industrial, our main focus was same as sales & collection along with foreign trip scheme for FTS.

New policies were also launched this year - POSH Policy, Reward & Recognition Policy, Imprest Policy, and Referral Policy. We also revised existing policies

Director's Report (Contd.)

like Business Travel Policy, Leave Policy, Local Travel Policy, Separation Policy, Whistle Blower Policy, Code of conduct, EHS Policy.

We also conducted POSH awareness Training to all employees via zoom call in 18 Batches which was arranged by our respective HR business partners.

We also have migrated our HR technology platform to the next level from HRMS to I Connect where we have complete employee life cycle along with web & mobile support. Though there are 2 more phases to be complete but we have successfully completed our first phase, which covers up PMS. First time in Shalimar Paints we initiated paperless PMS cycle which includes Employee Goal setting and self-evaluation & Manager's evaluation.

Unfortunately this year we have faced pandemic "Covid-19". We took initiative & Guide all of our employees on how to stay safe and support organization goals by working from home

FINANCIAL PERFORMANCE



The Company revenue from operations and other income of the Company for the financial year 19-20 stood at ₹ 34,526.66 lacs as against ₹ 28,991.90 lacs in the previous year.

12. Means of Communication:

Quarterly, half-yearly and annual results of the Company were published in leading English and vernacular newspapers viz. Financial Express and Jansatta. Additionally, the results and other important information are also periodically updated on the Company's website viz. www.shalimarpaints.com, which also contains a separate dedicated section "Investors".

NSE Electronic Application Processing System ("NEAPS") and BSE Listing Centre

All communications, disclosures and periodic filings are made electronically on BSE's online portal viz. BSE Corporate Compliance and Listing Centre and on NSE Electronic Application Processing System.

Extensive Business Reporting Language ("XBRL")

XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyze such information which aids better analysis and decision making. The Company has filed its Annual Accounts on MCA through XBRL.

Ministry of Corporate Affairs ("MCA")

The Company has periodically filed all the necessary documents with the MCA.

SEBI Complaints Redress System ("SCORES")

A centralized web based complaints redress system which serves as a centralised database of all complaints received, enables uploading of Action Taken Reports ("ATRs") by the concerned companies and online viewing by the investors of actions taken on the complaint and its current status.

Annual Report

The Annual Report containing inter alia the Audited Standalone and Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to the investors. Management Discussion and Analysis forms part of the Annual Report. Pursuant to the Green Initiative launched by the MCA, the Company also sends e-copies of the Annual Report to Members whose e-mail ids are registered with the Company.

The Annual Reports are also available in the section "INVESTORS" on the Company's website www.shalimarpaints.com.

13. General Shareholder Information:

- The Company is conducting the 118th Annual General Meeting (AGM) through VC/OAVM facility pursuant to the circular dated 5th May, 2020 issued by the Ministry of Corporate Affairs and as such there is no requirement to have a venue of AGM. However the deemed venue for the 118th AGM shall be the Registered Office of the Company.
- The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020 (both days inclusive).
- Financial Calendar for Financial Year 2020-21 (Tentative): The Company follows April 01 to March 31 as its Financial Year. The Financial Calendar for year 2020-21 is as follows:
 - First Quarter Results: August 14, 2020
 - Second Quarter/ Half yearly Results: November 14, 2020
 - Third Quarter Results: February 14, 2021
 - Fourth Quarter / Audited Annual Results: May 30, 2021

Director's Report (Contd.)

- d) The Shares of the Company are listed with the following Stock Exchanges with the stock code as mentioned below:

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

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

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

Month	BSE		NSE	
	High	Low	High	Low
April, 2019	88.25	76.95	88.50	76.50
May, 2019	94.25	68.80	93.80	68.60
June, 2019	92.65	71.55	92.50	71.60
July, 2019	81.00	64.00	81.40	65.70
August, 2019	78.55	64.55	79.00	64.00
September, 2019	92.00	71.10	91.90	71.00
October, 2019	101.60	77.60	102.00	79.00
November, 2019	106.40	88.40	106.60	88.10
December, 2019	97.00	75.50	97.50	75.25
January, 2020	111.00	81.10	111.65	76.00
February, 2020	106.25	82.60	106.40	82.25
March, 2020	94.40	43.85	99.90	42.35

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

Month	Company's Share Price		BSE Sensex	
	High	Low	High	Low
April, 2019	88.25	76.95	39275.64	38564.88
May, 2019	94.25	68.80	39831.97	37090.82
June, 2019	92.65	71.55	40267.62	38960.79
July, 2019	81.00	64.00	39908.06	37481.12
August, 2019	78.55	64.55	37641.27	36472.93
September, 2019	92.00	71.10	39097.14	36093.47
October, 2019	101.60	77.60	40129.05	38177.95
November, 2019	106.40	88.40	41130.17	40116.06
December, 2019	97.00	75.50	41681.54	40239.88
January, 2020	111.00	81.10	41945.37	40869.47
February, 2020	106.25	82.60	41565.9	38297.29
March, 2020	94.40	43.85	38623.7	25981.24

Director's Report (Contd.)

- (ii) Performance of the price of the Company's shares on NSE vis-à-vis NSE Nifty during the period

Under review is given below:-

Month	Company's Share Price		NSE Nifty	
	High	Low	High	Low
April, 2019	88.50	76.50	11856.15	11549.1
May, 2019	93.80	68.60	12041.15	11108.30
June, 2019	92.50	71.60	12103.05	11625.10
July, 2019	81.40	65.70	11981.45	10999.40
August, 2019	79.00	64.00	11181.45	10637.15
September, 2019	91.90	71.00	11655.05	10670.25
October, 2019	102.00	79.00	11945.00	11090.15
November, 2019	106.60	88.10	12158.80	11802.65
December, 2019	97.50	75.25	12293.90	11832.30
January, 2020	111.65	76.00	12430.50	11929.60
February, 2020	106.40	82.25	12231.75	11175.05
March, 2020	99.90	42.35	11433.00	7511.10

- g) The Company Registrar and Share Transfer Agents is BEETAL Financial & Computer Services Private Limited, BEETAL HOUSE, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062, Ph. 011-29961281-283 Fax 011-29961284.

BEETAL Financial & Computer Services Private Limited is the Registrar and Share Transfer Agents of the Company for both physical as well as demat segment.

- h) The share transfer work is being carried out by the Company's Registrar and Transfer Agent (RTA), who are also having connectivity with the depositories, viz., NSDL and CDSL. The power of approving the transfer of shares has been delegated to the RTA so that they can attend to the share transfer formalities on fortnightly basis.
- i) The distribution of shareholdings as on March 31, 2020 is given below:-

	No. of Shareholders	Percentage	No. of Shares held	Percentage
Up to 5000	15848	92.98	4400392	8.1038
5001 to 10000	630	3.69	2345646	4.3198
10001 to 20000	333	1.95	2260613	4.1632
20001 to 30000	80	0.46	1005118	1.8510
30001 to 40000	30	0.17	538512	0.9917
40001 to 50000	34	0.19	768620	1.4155
50001 to 100000	46	0.26	1654656	3.0472
100001 and Above	43	0.25	41326702	76.1077
Total	17044	100.00	54300259	100.00

- j) In keeping with the requirements of the Stock Exchanges, a Reconciliation of Share Capital Audit by a Practicing Company Secretary is carried out at the end of every quarter to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The said audit confirms that the total issued / paid – up capital tallies with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

The reconciliation of total admitted capital as on March 31, 2020 is given below:-

Shares held through	Percentage of Holding
NSDL	91.685
CDSL	7.903
Physical	0.412
Total	100.00

Director's Report (Contd.)

k) Category of shareholders as on March 31, 2020 are given below:

Particulars	No. of shares	Percentage
Promoters	28830828	53.10
Financial Institutions/Bank	297958	0.55
NRI/ NRC	1375791	2.54
General	23795682	43.81
Total	54300259	100.00

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

- P.O. Danesh Shaikh Lane, Goabaria, Howrah, West Bengal (Operations suspended due to fire accident in the month of March, 2014)
- Village: Gonde Dumala, Tehsil: Igatpuri, Nasik (Operations suspended due to fire accident in the month of November, 2016). It further commenced commercial Production in the month of August 2019.
- No. A-1 and A-2 Sikandrabad Industrial Area, Sikandrabad, Dist. Bulandsahar, Uttar Pradesh and
- Chinnapuliur Village, Gummidipoondi Taluk, Thiruvallur, Chennai.

m) Address for Correspondence: Secretarial Department, Shalimar Paints Limited, 01st Floor, Plot No 28, Sector, 32, Gurugram, Haryana - 122001

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

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

**Dated : June 30th, 2020
Place : Gurugram**

**Ashok Kumar Gupta
Director
DIN: 01722395**

**Alok Perti
Director
DIN: 00475747**

DECLARATION

(Pursuant to Schedule V of SEBI (Listing Obligations and Disclosure Requirements Regulations, 2015))

I, Ashok Kumar Gupta, Managing Director of the Company, do hereby declare that all the Board members and senior management personnel of the Company affirmed compliance with the code of conduct, adopted by the Company, for the Board of Directors and Senior Management of the Company.

Dated : June 30, 2020
Place : Gurugram

Ashok Kumar Gupta
Managing Director
DIN: 01722395

CERTIFICATE ON CORPORATE GOVERNANCE

For the Financial Year ended 31st March, 2020

To,
The Members,
Shalimar Paints Ltd.
(L24222HR1902PLC065611)
Stainless Centre, 4th Floor,
Plot No. 50, Sector 32,
Gurugram - 122001, Haryana

1. This certificate is issued in accordance with the terms of our engagement letter dated 16th June, 2020.
2. We, NSP & Associates, Practicing Company Secretary have examined the compliance of conditions of Corporate Governance by Shalimar Paints Ltd. ("the Company"), for the year ended on 31st March, 2020, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility.

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2020.
7. We 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 NSP & Associates
Company Secretaries

(Proprietor)

UDIN: F009028B000399022

FCS No.: 9028

C P No.: 10937

Place: New Delhi
Date: 30th June, 2020

CERTIFICATE FROM COMPANY SECRETARY IN PRACTICE**CERTIFICATE**

**[PURSUANT TO CLAUSE 10 OF PART C OF SCHEDULE V OF SEBI (LISTING OBLIGATIONS AND
DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]**

To the Members,
Shalimar Paints Limited

On the basis of our review and according to the records of Shalimar Paints Limited ("the Company"), we certify that none of the Directors on the Board of Directors of the Company 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 statutory authority.

**For and On Behalf of
Shashank Pashine & Associates**

CS Shashank Pashine

**Dated : June 30, 2020
Place : New Delhi**

**Proprietor
Membership No.: A40278**

Independent Auditors' Report



To The Members of Shalimar Paints Limited Report on the Audit of Standalone Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of Shalimar Paints Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year ended on that date, and Notes to the standalone Ind AS financial statements, (including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the Standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India and the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read together with Companies (Indian Accounting Standards) Rules, 2015, of the state of affairs of the Company as at 31st March, 2020, and its loss, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). 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 independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw your attention to note no 58 of standalone financial statements which explains the management's assessment/ evaluation of the financial impact due to lockdown arising with the advent of COVID 19.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of Trade receivables: The Company's Trade receivables included material disputed receivables & receivables against which legal proceedings have been initiated or to be initiated by the Company. The Company has made provision for trade receivables (which are significantly disputed and which are subjected to legal proceedings) for ₹ 2601.25 Lakh under the head 'Life Time Expected Credit Loss', besides regular provisioning for expected credit loss of ₹ 53.00 Lakh under the head '12 months Expected Credit Loss'. [(Refer Note 47(ii) of the Standalone Financial Statement)]</p>	<p>Principal Audit Procedures While reviewing the quality of trade receivables from realization perspective based on information & explanation made available to us, we also have relied upon the management representation with respect to fair valuation of trade receivable in accordance of applicable Ind AS which have been confirmed by the IBBI Registered Valuer recognized under Companies Act, 2013 (hereinafter referred to as 'Registered Valuer'). Trade receivables which carried significant credit risk and /or credit impaired, as evaluated in terms of provisioning thereof, have been broadly reviewed by us, on selective basis. The provision for Life Time credit loss is 100% of receivables (disputed) whereas in the previous year, it was 40%. Our audit approach was a combination of test of internal controls with respect to Trade receivable management and substantive procedures. The Audit Committee of the Company has also reviewed and approved the provisioning of Trade receivables for fair value thereof.</p>

Independent Auditors' Report (Contd.)

2	<p>Evaluation of Exceptional Expenses The Company during the year has written off / provided for /paid substantial amount of ₹ 704.95 lakh in relation to transactions of earlier years. The said amount included 'Other balances written off –₹ 509.87 lakh [Refer Note (39.1) of the Standalone Financial Statement]</p>	<p>Principal Audit Procedures 'Other balances written off –₹ 509.87 lakh It comprises- (i) Sales/CST/VAT deposits written off- ₹ 384.10 lakh (on assessments completed under relevant Acts) (ii) Irrecoverable Other deposits written off –₹ 84.22 lakh (iii) Unrealizable Receivables written off - ₹ 41.55 lakh, net of credit balance of ₹ 171.77 Lakh. We have relied upon the management representation & certification while carrying out our audit. We have broadly reviewed 'Exceptional Expenses' on selective basis, as per information and explanation furnished to us. The Audit Committee of the Company has also reviewed and approved the said write off for fair valuation of current assets.</p>
3	<p>Evaluation of un-ascertained tax & other liabilities The Company has material unascertained disputed taxes & other liabilities shown as contingent liabilities, the determination of which involves significant management judgment. (Refer Notes 43 of the Standalone Financial Statements)</p>	<p>Principal Audit Procedures We have obtained the details of completed tax assessments and demands for the year ended and up to March 31, 2020 from management. We evaluated the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also evaluated the disputed tax demands of earlier years having regard to legal precedence and other rulings in evaluating management's position on these uncertain tax positions. The material uncertain tax position & uncertain other liabilities, giving rise to disputed liabilities shown as contingent liabilities, have been examined by us having regard to material information & explanation furnished to us by the management. We review material uncertain tax position & uncertain other liabilities from year to year basis for changes therein.</p>

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual report comprising Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, among others ; but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company 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.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Independent Auditors' Report (Contd.)

Auditor's responsibility for the audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 (SAs) will always detect 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 financial controls 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 system 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 management's 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.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the Ind AS standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS 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 Matters

- (i) As per information and explanation furnished to us, the insurance claims of loss for damage of immovable & movable assets and for Loss of profit due to fire in Company's plant located at Nasik, are yet to be assessed by the Insurer & claim have been accounted for on estimated/realization basis. The Company is in arbitration for additional claim on account of fire claim at Howrah Plant (Note 53 & 54 of standalone financial statements).
- (ii) Some of the financial assets & liabilities including trade receivables, trade payables & advances are pending confirmation /reconciliation, and their impact on financial statements, if any, is unascertained (Note 59 of standalone financial statements)
- (iii) As regard disclosure in Note 44 of standalone financial statements regarding Micro, Small & Medium Enterprise, we have relied upon the information & explanation, to the extent made available to us by the management.

Our opinion on the standalone Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of these matters.

Independent Auditors' Report (Contd.)

Report on Other Legal and Regulatory Requirements

1. 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act & Rules made thereunder.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in “**Annexure A**”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
 - h) With respect to the other matters to be included in the Auditors' 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:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements. (Note 43(i) to the standalone Ind AS financial statements)
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund.
2. As required by the Companies (Auditors' Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “**Annexure B**” a statement on the matters specified in paragraphs 3 and 4 of the Order.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place : Kolkata
Date : 30th June, 2020

Arun Kumar Dubey
Partner
Membership No.- 057141
UDIN: 20057141AAAAAU6839

Independent Auditors' Report (Contd.)

Annexure "A" to the independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the Members of Shalimar Paints Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shalimar Paints Limited ("the Company") as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management represented by the Board of directors, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over the Financial Reporting 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 its business, including adherence to 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting 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. A company's internal financial controls over financial reporting includes 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, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Independent Auditors' Report (Contd.)

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting, and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting 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' issued by the Institute of Chartered Accountants of India.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place : Kolkata
Date : 30th June, 2020

Arun Kumar Dubey
Partner
Membership No.- 057141
UDIN: 20057141AAAAAU6839

Independent Auditors' Report (Contd.)

Annexure "B" to the independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'" section of our report of even date to the Members of Shalimar Paints Limited)

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) The Company has a regular programme /policy of physical verification of its fixed assets included in Property, Plant & Equipment (PPE) by which all fixed assets are verified in a phased manner. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. As per the policy, certain property, plant and equipment, were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us on test basis, we report that, the title deeds in respect of freehold immovable properties of land and buildings, are held in the name of the Company as at the Balance Sheet date. In respect of leasehold immovable properties, the lease agreements are in the name of the Company.
- ii. The inventory, (except material/ goods-in-transit), have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.
- iii. The Company is to receive ₹ 750.92 lakh (previous year ₹ 722.09 lakh) from its subsidiary, Shalimar Adhunik Nirman Limited(SANL) which is shown under the head 'Loans (Non-current) under sub head 'Loan to Related parties' in Note 9 of the Financial Statement. The said loan includes ₹492.00 lakh (Note 50), being consideration money for transfer of Land by the Company to SANL, and the same is interest free. The terms and conditions of said advances are not prejudicial to the Company's interest.

As per information & explanation given to us the repayment schedule is being adhered to so far as it relates to payment of principal & interest whenever, they fall due. As certified by management, there is no overdue amount of loan & interest.

Except loan and advances to the aforesaid subsidiary, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

- iv. In our opinion and according to information and explanations given to us, in respect of loans, investments, guarantees, and security, the Company has complied with the provisions of section 185 & 186 of the Companies Act, 2013, to the extent applicable.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public in accordance with the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, Clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has prescribed Cost Records under Section 148(1) of the Companies Act,2013 in respect of certain manufacturing activities of the Company. However, as per information and explanation furnished to us, the said cost records are not statutorily required to be maintained during the year under audit.
- vii. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities though there have been slight delays in few cases.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable, except excise & Custom duty of ₹ 406.98 lakh (included in note no 28 of Other current liabilities-"Statutory Dues") of Financial Statements.

Independent Auditors' Report (Contd.)

- (c) Details of disputed dues of Income Tax, Sales Tax, Service Tax, Excise Duty, and Value Added Tax which have not been deposited as on 31st March, 2020 on account of disputes are given below:

Name of Statute	Nature of dues	Forum where dispute is pending	Amount Involved (₹, lakh)
Central Excise Act, 1944	Excise Duty	Various Assessing, Appellate & Tribunal Authorities	461.07
Sales Tax Act	Central Sales Tax & VAT	Various Assessing, Appellate, Tribunal & Revision Board Authorities	1851.94
Income Tax Act, 1961	Income Tax	Various Assessing & Appellate Authorities	67.50

- viii. As per the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- ix. The Company has not raised money by way of initial public offer or further public offer (including debt instruments) According to information & explanation given to us, the term loans are applied for the purposes for which those are raised.
- x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or on the Company by the officers and employees of the Company has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.
- xii. The Company is not a Nidhi Company & accordingly, reporting under Clause (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 177 and 188 of Act, where applicable; and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- xiv. During the year, the Company has made preferential allotment of equity shares [Refer Note no 19 (iii) of the Standalone Financial Statements] and complied with the provisions of section 42 of Companies Act 2013. The said allotment is made against discharge of ECB loan availed by the Company. As per information and explanations furnished to us, the amount raised has been used for intended purposes. The Company has not made any private placement of shares or fully or partly convertible debentures.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with its directors or persons connected with them; hence, provisions of Section 192 of the Companies Act, 2013 & Clause (xv) of the Order are not applicable.
- xvi. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934. Hence, Clause (xvi) of the Order are not applicable.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place : Kolkata
Date : 30th June, 2020

Arun Kumar Dubey
Partner
Membership No.- 057141
UDIN: 20057141AAAAAU6839

Standalone Balance Sheet as at March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	26,111.27	21,573.89
Right-of-use-assets	5.2	84.10	142.32
Capital work-in-progress	6	10.05	2,356.34
Intangible assets	7	548.08	133.07
Financial Assets			
i) Investments	8	81.74	77.99
ii) Loans	9	916.23	912.31
iii) Other financial assets	10	-	31.14
Deferred tax assets (net)	11	4,839.36	3,048.74
Other non-current assets	12	16.62	437.63
Current assets			
Inventories	13	8,661.52	7,135.74
Financial Assets			
i) Trade receivables	14	7,150.08	9,901.46
ii) Cash and cash equivalents	15.1	275.14	8,570.55
iii) Bank balances other than (ii) above	15.2	176.15	523.57
iv) Other financial assets	16	846.27	1,057.76
Current Tax Assets (Net)	17	291.60	283.49
Other current assets	18	1,951.22	1,545.69
Total Assets		51,959.43	57,731.69
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,086.02	1,072.84
Other Equity	20	24,556.08	27,773.53
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	21	1,820.29	1,809.10
ii) Lease Liabilities	22	92.25	146.80
iii) Other financial liabilities	23	143.81	113.81
Provisions	24	612.99	602.55
Current liabilities			
Financial Liabilities			
i) Borrowings	25	10,069.59	12,682.56
ii) Trade payables	26		
Outstanding dues to Micro, Small and Medium Enterprises		642.64	1,065.87
Outstanding dues to trade payables other than Micro, Small and Medium Enterprises		8,967.74	8,697.85
iii) Other financial liabilities	27	3,014.36	2,953.27
Other current liabilities	28	505.37	360.27
Provisions	29	448.29	453.24
Total Equity and Liabilities		51,959.43	57,731.69
Overview and Significant Accounting Policies	1-4		

The accompanying notes form an integral part of the financial statements.

As per our report of even date Attached

For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

Standalone Statement of Profit & Loss for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From Operations	30	34,385.02	28,761.99
Other Income	31	141.64	229.91
Total Revenue		34,526.66	28,991.90
EXPENSES			
Cost of materials consumed	32	21,857.82	19,393.22
Purchases of Stock-in-Trade	33	2,489.89	1,931.23
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	34	(1,119.80)	731.58
Employee Benefit Expenses	35	4,867.66	4,200.51
Finance costs	36	1,985.25	2,504.86
Depreciation and amortization expense	37	1,083.81	875.91
Other expenses	38	9,641.75	8,675.55
Total Expenses		40,806.38	38,312.86
Profit/(loss) before exceptional items and tax		(6,279.72)	(9,320.96)
Exceptional items			
Expenses	39.1	704.95	1,567.77
Income	39.2	1,399.85	-
Profit/(loss) before tax		(5,584.82)	(10,888.73)
Tax expense			
Current Tax	40	-	-
Deferred tax		(1,797.22)	(2,731.69)
Profit/(loss) for the period		(3,787.60)	(8,157.03)
Other Comprehensive Income	41		
(i) Items that will not be reclassified to profit or loss		21.16	(83.48)
(ii) Income tax effect on above		6.60	(26.05)
Total Other Comprehensive Income/(loss) for the year		14.56	(57.43)
Total Comprehensive Income/(loss) for the year		(3,773.04)	(8,214.46)
Earnings per share of ₹ 2/- each			
1) Basic (in ₹)	42	(6.98)	(15.21)
2) Diluted (in ₹)		(6.98)	(15.21)
Overview and Significant Accounting Policies	1-4		

The accompanying notes form an integral part of the financial statements.

As per our report of even date Attached
For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

 Date : 30th June, 2020

For and on Behalf of Board of Directors
Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

Standalone Cash Flow Statement for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(5,584.83)	(10,888.73)
Adjustments for:		
Depreciation, amortization and impairment expenses	1,083.81	875.91
Net (Gain) / Loss on Sale of Property, Plant & Equipment	0.29	20.99
Net (Gain) / Loss on Sale/ Fair valuation of Investment	(3.75)	(4.89)
Bad debts/Provision for doubtful debts	2,654.25	2,441.21
Change in inventory valuation	-	1,155.38
Provision for insurance claim recoverable	-	412.39
Other receivables written off	-	15.50
Employee stock option expenses	(1.56)	(5.66)
Finance Costs	1,985.25	2,504.86
Interest Income	(92.91)	(180.60)
Operating Profit/(loss) before Working Capital changes	40.56	(3,653.64)
Movements in working capital:		
Trade receivables	119.83	(1,826.13)
Other receivables	(263.84)	983.33
Inventories	(1,525.78)	(890.47)
Trade payables (incl LC)	(358.39)	(3,689.12)
Trade & other payables	1,040.94	(340.73)
Cash (used in)/generated from operating activities	(946.69)	(9,416.76)
Direct Taxes (paid)/refund (net)	(8.11)	(5.71)
Net cash (used in)/generated from operating activities	(954.80)	(9,422.47)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment/ Intangible Assets including Capital Advances	(3,279.14)	(3,322.51)
Interest/other income Received	136.08	133.53
Movement in Margin money/Fixed deposits	378.56	(157.62)
Net cash (used in)/ generated by investing activities	(2,764.50)	(3,346.60)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share capital	570.35	25,060.55
Proceeds from /(repayment) of Borrowings (net)- Long term	(548.25)	(350.81)
Right Issue Expense	-	(100.05)
Proceeds from /(repayment) of Borrowings (net)- Short term	(2,612.97)	(2,320.55)
Finance Costs	(1,985.25)	(2,501.41)
Net cash (used in)/generated by financing activities	(4,576.12)	19,787.73
Net cash (used) in/ from Operating, Investing & Financing Activities	(8,295.42)	7,018.64
Opening balance of Cash and Cash equivalent	8,570.56	1,551.91
Closing balance of Cash & Cash equivalent	275.14	8,570.55
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note 15.1):-		
i) Cash Balance on Hand	0.18	4.12
ii) Balance with Banks :	-	-
-In Current Accounts	31.56	5,511.19
-In Fixed Deposits	-	-
-Cheques/draft in hand	-	-
-Bank deposits with maturity of less than 3 months	243.40	3,055.24
Total	275.14	8,570.55

As per our report of even date Attached

For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

Statement of change in equity for the year ended March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

A. Equity Share Capital	Amount
Equity Share Capital as on 31 st March 2018	378.92
Movement during the year 2018-19	693.91
Equity Share Capital as on 31st March 2019	1,072.84
Movement during the year 2019-20	13.18
Equity Share Capital as on 31st March 2020	1,086.02

B. Other equity

Particulars	Reserves & Surplus				Other Compre- hensive Income	Total
	Securities Premium Reserve	Share Options Out- standing	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/Plan	
Balance as at March 31, 2018	961.10	28.73	4,061.71	6,657.62	18.48	11,727.64
-Profit or Loss for the year				(8,157.03)		(8,157.03)
-Other comprehensive income for the year					(57.43)	(57.43)
-Movement during the year	24,366.67	(6.26)				24,360.41
-Right issue expenses	(100.05)					(100.05)
Balance as at March 31, 2019	25,227.72	22.47	4,061.71	(1,499.41)	(38.95)	27,773.53
-Profit or Loss for the year				(3,787.60)		(3,787.60)
-Other comprehensive income for the year					14.56	14.56
-Addition during the year	557.14	(1.56)				555.60
-Movement during the year				-		-
Balance as at Mar 31, 2020	25,784.86	20.91	4,061.71	(5,287.01)	(24.40)	24,556.08

As per our report of even date Attached
For A. K. Dubey & Co.,
Chartered Accountants
(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey
Partner
(Membership No.: 057141)
UDIN:

Place : Kolkata
Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Ashish Kumar Bagri
Chief Financial Officer

Alok Perti
Director
DIN: 00475747

Gautam
Company Secretary
Mem. No:- ACS 30581

Notes to the Standalone Financial Statements for the year ended March 31, 2020

1 Overview

Shalimar Paints Limited ("the Company") is a public limited Company domiciled in India. 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.

2 Basis of preparation of financial statements

These financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('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 to the extent applicable. The accounting policies have been applied consistently over all the periods presented in these financial statements. The standalone financial statements provide comparative information in respect of previous year.

3 Key Accounting Judgements, Estimates & Assumptions:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Income Tax

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The Company reviews at each balance sheet date the carrying amount of deferred tax assets/ liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the standalone financial statements.

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 future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to 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.

Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (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. Judgments 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.

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The residual values of Company's assets are determined by the management at the time the asset is acquired and reviewed periodically.

4 Significant Accounting Policies

4.1) Basis of measurement

The 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 1st April 2016);
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

4.2) Property, plant and equipment

i) Recognition and measurement

An asset is recognised as property, plant and equipment when it qualifies the recognition criteria as specified in Ind AS 16. Following initial recognition, items of Property, Plant and Equipment are carried at its cost, net of available duty/tax credits, less accumulated depreciation and accumulated impairment losses, if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Costs in nature of minor repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from discard/sale of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded / sold.

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.

ii) 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 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.

Depreciation is charged on fair valued amount less estimated salvage value. Leasehold land is amortized on a straight line basis over the remaining period of lease.

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.

4.3) Intangible assets

i) Recognition & measurement :

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 amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized over the estimated useful economic life on straight line method

The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Computer Software 6 years

Trade mark 10 years

Technical know how 10 years

The amortization period and the amortization method for an intangible asset with finite useful life is 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.

ii) Derecognition:

The carrying amount of an intangible asset is derecognized 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 Statement of Profit and Loss when the asset is derecognized.

4.4) Impairment

The carrying amount of Property, Plant & Equipment, Intangible assets and cash generating assets are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. If recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been an improvement in recoverable amount.

4.5) Lease Accounting

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

4.6) 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.

i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added/deducted respectively to the fair value on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

ii) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are recognised in OCI except the recognition of impairment gains or losses, interest revenue calculated using the Effective Interest Rate (EIR) method and foreign exchange gains and losses which are recognised in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. Financial liabilities at fair value through profit and loss (FVTPL) includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

iii) Impairment of financial assets

Financial assets, other than debt instruments measured at FVTPL and Equity instruments are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on all financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

iv) Derecognition

Financial Assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expires.

v) **Reclassification of Financial Assets and Financial Liabilities**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

vi) **Derivative financial instruments**

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

vii) **Offsetting**

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

4.7) **Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non- financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 in which they fall.

4.8) **Inventory**

Inventory are valued at lower of cost, computed on weighted average basis, or net realizable value. Cost of inventories includes in case of raw material, cost of purchase including taxes and duties net of tax credits/GST and incidental expenses; in case of work-in-progress, estimated direct cost including taxes and duties net of tax credits/GST and appropriate proportion of administrative and other overheads; in case of finished goods, estimated direct cost including taxes and duties net of tax credits/GST and appropriate administrative and other overheads including other cost incurred in bringing the inventories to the present location and conditions; and in case of traded goods, cost of purchase and other costs incurred in bringing the inventories to the present location and conditions. The obsolete/damaged items of inventories are valued at estimated realisable value.

4.9) **Provisions, Contingent Liabilities and Contingent Assets**

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote or the amount cannot be estimated reliably. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

4.10) **Revenue Recognition**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates granted by the Company.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties (for example, indirect taxes) are excluded from revenue.

4.11) **Other Income**

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the

applicable effective interest rate. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

4.12) Employee Benefits

- i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.
- ii) The Company makes regular contribution to provident funds which are administered by Government and are independent of Company's finance. The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.
- iii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The gratuity fund is administered by the Trustees.

For Schemes where recognized funds have been set up, annual contributions are made as determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. Remeasurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to Other Comprehensive Income in period in which they arise. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

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

4.13) Foreign Exchange Transactions

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are initially recorded in the functional currency (i.e. Indian Rupees) at rates prevailing at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates and the resulting exchange difference recognised in statement of profit & loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

4.14) 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 takes 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.

4.15) Taxes on Income

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided on temporary difference arising between the tax bases of assets & liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rate that are expected to apply in the year when the asset is realized or the liability is settled based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and the carry forward unused tax credits and unused tax

losses can be utilized. 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 utilized.

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.

4.16) Segment Reporting

The company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints & allied products.

4.17) 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.

4.18) Lease

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low- value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.19) Share-based payment transactions

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date 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 instruments that will eventually vest, with a corresponding increase in equity.

4.20) 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.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



5.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Land-Free hold	Land-Lease hold	Buildings	Plant & Machinery*	Furniture & Fixtures	Motor Vehicles	Office Equipment	Total
Gross carrying value								
As at March 31, 2018	9,736.52	1,690.95	8,226.57	3,486.29	114.85	29.51	178.84	23,463.53
Additions			60.39	233.11	7.89	37.60	36.86	375.85
Disposals/Adjustment			(56.00)			(24.77)	(0.24)	(81.01)
As at March 31, 2019	9,736.52	1,690.95	8,230.96	3,719.40	122.74	42.34	215.46	23,758.37
Additions			2,491.34	2,916.27	27.90	19.22	74.65	5,529.36
Disposals/Adjustment	(0.00)		(0.02)		(0.04)	(0.01)	(0.59)	(0.65)
As at March 31, 2020	9,736.52	1,690.95	10,722.28	6,635.66	150.59	61.56	289.52	29,287.09
Depreciation								
As at March 31, 2018		51.24	630.10	589.33	53.50	8.13	70.13	1,402.43
Depreciation for the year 18-19		25.62	375.90	335.08	16.33	3.72	42.77	799.42
Disposals/Adjustment			(7.38)			(9.99)		(17.37)
As at March 31, 2019	-	76.86	998.62	924.41	69.83	1.86	112.90	2,184.48
Depreciation for the year 19-20		32.62	383.71	509.26	12.54	8.08	45.78	991.98
Disposals/Adjustment		-	(0.02)	-	(0.04)	(0.01)	(0.59)	(0.65)
As at March 31, 2020	-	109.48	1,382.32	1,433.67	82.33	9.94	158.09	3,175.81
Net carrying value								
Balance as at March 31, 2018	9,736.52	1,639.71	7,596.47	2,896.96	61.35	21.39	108.71	22,061.11
Balance as at March 31, 2019	9,736.52	1,614.09	7,232.34	2,794.99	52.91	40.48	102.56	21,573.89
Balance as at March 31, 2020	9,736.52	1,581.48	9,339.97	5,202.00	68.27	51.62	131.43	26,111.27

5.2 Right-of-use-assets

Gross carrying value	
As at March 31, 2019	168.21
Additions	-
Disposals/Adjustment	-
As at March 31, 2020	168.21
Depreciation	
As at March 31, 2019	28.46
Depreciation for the year 19-20	55.64
Disposals/Adjustment	-
As at March 31, 2020	84.10
Net carrying value	
Balance as at March 31, 2020	84.10
6. CAPITAL WORK IN PROGRESS	
Balance as at March 31, 2018	66.70
Balance as at March 31, 2019	2,356.34
Balance as at March 31, 2020	10.05

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



7. INTANGIBLE ASSETS

Particulars	Computer Software	Technical Know How	Trade Mark	Total
Gross carrying value				
Balance as at March 31, 2018	186.70	68.47	49.78	304.95
Additions	6.05			6.05
Disposals				-
Balance as at March 31, 2019	192.75	68.47	49.78	311.00
Additions	451.96			451.96
Disposals/Adjustment	(-0.00)	(-0.00)	0.00	(-0.00)
Balance as at March 31, 2020	644.71	68.47	49.78	762.96
Amortization				
Balance as at March 31, 2018	93.70	12.95	23.25	129.90
Additions	36.29	4.58	7.16	48.03
Disposals				-
Balance as at March 31, 2019	129.99	17.53	30.41	177.93
Additions	28.37	2.53	6.04	36.95
Disposals/Adjustment				-
Balance as at March 31, 2020	158.36	20.06	36.45	214.88
Net Carrying Value				
Balance at March 31, 2018	93.00	55.52	26.53	175.05
Balance at March 31, 2019	62.76	50.94	19.37	133.07
Balance at March 31, 2020	486.35	48.41	13.33	548.08

8. INVESTMENTS (NON-CURRENT)

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares/units	Amount	No. of Shares/units	Amount
8.1 Investment in Equity Instruments				
Unquoted shares				
Investment in wholly-owned subsidiary Companies at Cost				
(i) Shalimar Adhunik Nirman Ltd.				
Fully paid up shares of ₹10 each	49,990	5.00	49,990	5.00
Partly paid up shares @ ₹1 each (Share of ₹10 each)	4,50,000	4.50	4,50,000	4.50
Equity Component of 6% Non cumulative, non convertible Redeemable Preference Shares of ₹ 100 each		36.85		13.95
(ii) Eastern Speciality Paints & Coatings Pvt Ltd.				
Fully paid up shares of ₹10 each	50,000	5.00	50,000	5.00
TOTAL		51.35		28.45
8.2 Investment in Debentures carried at Amortised Cost				
Unquoted				
(i) 1/2% Woodland Medical Centre Ltd.		0.06		0.06
(ii) 5% Woodland Medical Centre Ltd.		0.17		0.17
TOTAL		0.23		0.23

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



Particulars	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares/units	Amount	No. of Shares/units	Amount
8.3 Investment in Preference Shares in wholly-owned subsidiary Companies at Fair value through Profit & Loss account				
Unquoted				
(i) Shalimar Adhunik Nirman Ltd.				
6% Non cumulative, non convertible Redeemable Preference Shares of ₹ 100 each (Fully paid up)*	50,000	30.16	50,000	49.31
TOTAL		30.16		49.31
GRAND TOTAL		81.74		77.99
*The redemption date of Preference shares is 20th May 2024.				
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments		81.74		77.99
Aggregate amount of impairment in value of investments		-		-
9. LOANS- NON CURRENT				
Particulars		As at 31-03-2020		As at 31-03-2019
(Unsecured, considered good)				
Security Deposits		164.69		189.79
Loan to related parties(refer note 47 & 52)		751.54		722.52
TOTAL		916.23		912.31
10. OTHER FINANCIAL ASSETS- NON CURRENT				
Particulars		As at 31-03-2020		As at 31-03-2019
(Unsecured, considered good)				
Bank Balance (Maturity period more than 12 months)		-		31.14
TOTAL		-		31.14
11. DEFERRED TAX ASSETS/ (LIABILITIES) (NET)				
Particulars		As at 31-03-2020		As at 31-03-2019
Deferred tax assets/ liabilities are attributable to the following items;				
Deferred Tax Assets				
-Carry Forward Losses/Unabsorbed depreciation		6,928.84		4,999.64
-Disallowance under section 43B		246.03		234.60
-Provision for doubtful debt and advances		1,046.53		761.65
-Remeasurements of the defined benefit plans		-		26.05
Sub- Total (a)		8,221.40		6,021.94
Deferred Tax Liabilities				
-Fixed assets		3,370.14		2,969.06
-Others				
-Fair valuation of investment		5.30		4.14
- Remeasurements of the defined benefit plans		6.60		-
Sub- Total (b)		3,382.04		2,973.20
Net Deferred Tax Assets/ (Liability) (a)+(b)		4,839.36		3,048.74

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



12. OTHER NON CURRENT ASSETS

Particulars	As at 31-03-2020	As at 31-03-2019
Capital Advances	16.62	437.63
TOTAL	16.62	437.63

13. INVENTORIES

Particulars	As at 31-03-2020	As at 31-03-2019
Raw Material		
Inventories-RM	2,108.81	1,808.28
Goods in Transit-RM	-	25.45
Work- in -Progress	322.76	287.15
Finished Goods		
Inventories-FG*	5,835.29	4,692.33
Goods in Transit-FG	164.25	223.03
Stores & spares	230.41	99.50
TOTAL	8,661.52	7,135.74

*including trading goods ₹ 328.94 lakh (P.Y ₹ 406.77 lakh)

Inventory valuation has been confirmed by IBBI registered valuer recognised under Companies Act 2013.

14. TRADE RECEIVABLES

Particulars	As at 31-03-2020	As at 31-03-2019
Unsecured		
-Considered Good	7,150.08	9,901.46
-Considered Doubtful	3,354.28	2,441.20
	10,504.36	12,342.66
Less: Provision for bad and doubtful receivable [refer note 47(ii)]	(3,354.28)	(2,441.20)
TOTAL	7,150.08	9,901.46

Trade Receivables has been confirmed by IBBI registered valuer recognised under Companies Act 2013.

15.1 CASH AND CASH EQUIVALENT

Particulars	As at 31-03-2020	As at 31-03-2019
-Balance with banks		
On Current Accounts	31.56	5,511.19
-Cash on hand	0.18	4.12
-Cheque, drafts on hand	-	-
Fixed Deposit for right issue*	-	2,892.84
Bank deposits with maturity of less than 3 months	243.40	162.39
TOTAL	275.14	8,570.55

15.2 Bank Balance other than Cash and Cash Equivalents

Particulars	As at 31-03-2020	As at 31-03-2019
Unpaid dividend	-	5.40
Margin Money	0.82	1.08
Fixed Deposit Account	175.33	517.09
TOTAL	176.15	523.57

* Fixed deposit has been made for the unutilised amount of right issue related to Capital Expenditure.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

16. OTHER FINANCIAL ASSETS- CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Other Receivables (refer note no 53)	832.11	891.59
Security Deposits	-	108.84
Interest accrued	14.16	57.33
TOTAL	846.27	1,057.76

17. CURRENT TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31-03-2020	As at 31-03-2019
Advance Income Tax	2,823.10	2,814.99
Less: Provision for Income Tax	2,531.50	2,531.50
TOTAL	291.60	283.49

18. OTHER CURRENT ASSETS

Particulars	As at 31-03-2020	As at 31-03-2019
Advances other than capital advances		
Advances to suppliers	650.68	315.86
Others		
Advance to employee	66.02	17.90
Prepaid expenses	233.75	195.23
Balance With Govt. Authorities & Others	1,000.77	1,016.70
Other receivable	0.00	0.00
TOTAL	1,951.22	1,545.69

19. EQUITY SHARE CAPITAL

Particulars	As at March 31, 2020	As at March 31, 2019
Authorised		
10,00,00,000 (31 st March,2019: 10,00,00,000) equity shares of ₹ 2/- each	2,000.00	2,000.00
Issued,subscribed and fully paid up		
5,43,00,259 (31 st March,2019: 5,36,41,387) equity shares of ₹ 2/- each	1,086.01	1,072.83
Share Forfeiture Account	0.01	0.01
	1,086.02	1,072.84

Notes:

(i) Reconciliation of number of shares and share capital outstanding at the beginning and end of the year -

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	5,36,41,387	1,072.83	1,89,45,975	378.92
Add: Right issue	-	-	3,46,95,412	693.91
Add: Preferential Allotment	6,58,872	13.18	-	-
Number of shares at the end	5,43,00,259	1,086.01	5,36,41,387	1,072.83

(ii) Rights, preferences and restrictions attached to shares

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

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

- (iii) On 8th April 2019, Company has made preferential allotment of 6,58,872 equity shares of face value ₹ 2/- each at the price of ₹ 86.56/- per share (including premium of ₹ 84.56/- per shares) aggregating to ₹ 570 lakh to the Hind Strategic Investments by converting its ECB loan of US\$ 8 Lakh pursuant to members approval through Postal ballot dated 16.03.2019.

- (iv) **Proceeds from the second right issue have been utilised in the following manner -**

Particulars	Proposed to be utilised	Proposed to be utilised (Revised)*	Utilised During FY 2018-19	Utilised During FY 2019-20	To be utilised
Project of Reinstatement of paint manufacturing plant at Nashik	4,568.43	4,492.08	2,035.22	2,210.46	246.40
Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	40.00	-	40.00	-
Long Term Working Capital Requirements	11,737.50	12,113.85	8,709.15	3,404.70	-
General Corporate purposes	3,415.07	3,415.07	1,136.57	2,278.50	-
Expenses for right issue	26.27	26.27	26.27	-	0.00
TOTAL	20,087.27	20,087.27	11,907.21	7,933.66	246.40

*There is increase in the allocation of funds towards Long Term Working Capital Requirement, and the same has been allocated through reduction in Nashik project (including RDC) cost.

- (v) **Details of shareholders holding more than 5% shares in the Company**

(vi) Name of Shareholders	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% of shares held	No. of shares	% of shares held
Virtuous Tradecorp Pvt. Ltd.	1,33,54,462	24.59%	1,33,54,462	24.90%
Hind Strategic Investments	65,00,442	11.97%	58,41,570	10.89%
Veera Gupta	46,82,952	8.62%	46,82,952	8.73%

The Company does not have any holding / ultimate holding Company.

20. Other equity

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at March 31, 2018	961.10	28.73	4,061.71	6,657.62	18.48	11,727.64
-Profit or Loss for the year				(8,157.03)		(8,157.03)
-Other comprehensive income for the year					(57.43)	(57.43)
-Movement during the year	24,366.67	(6.26)				24,360.41
-Right issue expenses	(100.05)					(100.05)
Balance as at March 31, 2019	25,227.72	22.47	4,061.71	(1,499.41)	(38.95)	27,773.53
-Profit or Loss for the year				(3,787.60)		(3,787.60)
-Other comprehensive income for the year					14.56	14.56
-Addition during the year	557.14	(1.56)				555.60
-Movement during the year						-
Balance as at Mar 31, 2020	25,784.86	20.91	4,061.71	(5,287.01)	(24.40)	24,556.08

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



21. NON-CURRENT BORROWINGS

Particulars	As at 31-03-2020	As at 31-03-2019
Secured		
Term Loans :		
- from Financial Institutions	1,971.12	1,969.85
- from others (vehicle loan)	35.64	31.79
	2,006.76	2,001.64
Less: Current Maturity of Long term Debt (refer note 27)	186.47	192.54
	1,820.29	1,809.10
Unsecured		
- from related party in foreign currency *	-	553.37
	-	553.37
Less: Current Maturity of Long term Debt (refer note 27)	-	553.37
	-	-
Sub total (B)	-	-
TOTAL (A + B)	1,820.29	1,809.10

*The shareholders of the Company after requisite approval from Reserve Bank of India and other competent authorities, have approved conversion of unsecured ECB loan of USD 8,00,000 from Hind Strategic Investments (Promoter Company) into equity shares by way of preferential allotment; and the Allotment Committee of the Company have allotted on 08th April, 2019 - 6,58,872 Equity shares of ₹ 2 each at a premium of ₹ 84.56 as fully paid in discharge of ECB loan.

SECURITY (In relation to existing borrowings)

(i) Term Loan from financial institutions

Loan of ₹ Nil lakh (March 31, 2019 ₹ 352.81 lakh) taken from India Bulls Housing Finance Limited @17% p.a., repayable in 91 monthly installments starting from 05.05.2016 and ending on 05.11.2023, which was secured by first charge on Company's immovable property situated at 5th Floor, C wing, Oberoi Garden Estate, Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072 was paid in full on 28.06.2019

Loan of ₹ 1485.98 lakh (March 31, 2019 ₹ 1617.04 lakh) taken from Religare Finvest Limited @ 14% p.a., repayable in 129 monthly installments starting from 01.02.2016 and ending on 01.10.2026, are secured by First charge on Company's immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Dist- Bulandshahar (U.P).

Loan of ₹ 485.14 lakh (March 31, 2019 ₹ Nil) taken from Aditya Birla Finance Limited @ 12.95% p.a., repayable in 120 monthly instalments starting from 15.09.2019 and ending on 15.08.2029, are secured by first charge on Company's immovable property situated at 5th Floor, C wing, Oberoi Garden Estate, Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072

(ii) Vehicle Loan (Secured by Vehicle financed)

Loans of ₹ 26.34 lakh (March 31, 2019 ₹ 31.79 lakh), taken from Toyota Financial Service India Ltd. @ 9.50% p.a. are repayable in 60 monthly installments starting from 20.02.2019 and ending on 20.01.2024.

Loans of ₹ 9.30 lakh, taken from Toyota Financial Service India Ltd. @ 8.90% p.a. are repayable in 60 monthly installments starting from 10.02.2020 and ending on 10.01.2025.

22. Lease Liabilities

Particulars	As at 31-03-2020	As at 31-03-2019
Lease Liabilities	92.25	146.80
TOTAL	92.25	146.80

23. OTHER FINANCIAL LIABILITIES- NON CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Security Deposit		
-From others	143.81	113.81
TOTAL	143.81	113.81

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



24. PROVISIONS- NON CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
-Gratuity (refer note 45)	272.03	257.98
-Leave encashment (refer note 45)	40.96	44.57
Provision Others	300.00	300.00
TOTAL	612.99	602.55

25. CURRENT BORROWINGS

Particulars	As at 31-03-2020	As at 31-03-2019
Secured		
Loans Repayable on Demand		
From Banks (Cash Credit and WCDL)	8,411.75	10,391.10
Unsecured		
Loans Repayable on Demand		
Bill Discounting	1,657.84	2,291.46
TOTAL	10,069.59	12,682.56

Cash Credit and WCDL from Banks

Primary Security

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

Collateral Security

- first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik, Maharashtra;
- first charge, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal;
- second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh;
- second charge, ranking pari passu, on the fixed assets of the Company situated at village -Chinnapuliur, Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu.

Rate of interest for current borrowings ranges from 9.80% p.a. to 14.45% p.a.

26. TRADE PAYABLES

Particulars	As at 31-03-2020	As at 31-03-2019
Due to Micro, small and medium enterprises (refer note 44)	642.64	1,065.87
Due to others*	8,967.74	8,697.85
TOTAL	9,610.38	9,763.72

*Includes interest payable to MSME amounting to ₹ 210.52 (Previous year ₹ 193.65 Lakh).

27. OTHER FINANCIAL LIABILITIES- CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Current maturities of long-term debt (refer note 21)	186.47	745.91
Interest Accrued and Due	84.03	44.20
Unpaid Dividend	-	5.40
Creditors for Capital expenditure	159.00	227.18
Others		
Employee's Payables	392.48	363.46
Others (Operating expenses)	2,192.38	1,567.11
TOTAL	3,014.36	2,953.27

* There are no outstanding dues to be paid to Investor Education & Protection Fund.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



28. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2020	As at 31-03-2019
Statutory dues	505.37	360.27
TOTAL	505.37	360.27

29. PROVISIONS-CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
- Gratuity (refer note 45)	395.09	407.11
- Leave encashment (refer note 45)	53.20	46.13
TOTAL	448.29	453.24

30. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of products		
Finished Goods	37,236.97	31,640.18
Sale of Services	805.83	401.31
	38,042.80	32,041.49
Less: Rebates & Trade Discounts	(3,797.80)	(3,357.82)
	34,245.00	28,683.67
(b) Other operating Revenue		
Scrap Sales	140.02	78.32
	140.02	78.32
TOTAL	34,385.02	28,761.99

31. OTHER INCOME

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
-Bank Deposits	52.40	157.10
- Others	40.51	23.49
Profit on sale/Fair value of investments	3.75	4.89
Other Non-Operating Income		
- Foreign exchange gain	(31.49)	12.95
- Miscellaneous Receipts	76.47	31.48
TOTAL	141.64	229.91

32. COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cost of Material Consumed	21,857.82	19,393.22
TOTAL	21,857.82	19,393.22

33. PURCHASE OF STOCK-IN-TRADE

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Purchase of stock in trade	2,489.89	1,931.23
TOTAL	2,489.89	1,931.23

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Closing Stock		
Work- in -Progress	322.76	287.15
Finished Goods	5,999.55	4,915.36
	6,322.31	5,202.51
Opening Stock		
Work in progress	287.15	213.45
Finished Goods	4,915.36	5,720.64
	5,202.51	5,934.09
(Increase)/ Decrease in Inventory TOTAL	(1,119.80)	731.58

35. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages*	4,415.66	3,766.95
Contribution to provident & other funds	234.14	208.10
Expense/(reversal) on Employee Stock Option Scheme	(1.56)	(5.66)
Staff Welfare Expenses	219.42	231.12
TOTAL	4,867.66	4,200.51

*Current year expenditure includes ₹ 269.25 lakh (P.Y. ₹ 182.38 lakh) incurred on research & development activities.

36. FINANCE COST

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses		
On Working Capital & Term loan	1,732.75	2,184.77
Foreign exchange (gain) / loss	-	33.02
Other Borrowing Costs	236.88	276.58
Interest on Lease Assets	15.62	10.49
TOTAL	1,985.25	2,504.86

37. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant & Equipment	1,047.13	827.87
Amortisation on Intangible Assets	36.68	48.04
TOTAL	1,083.81	875.91

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



38. OTHER EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	126.32	80.58
Power and fuel	425.57	376.73
Rent	302.48	433.11
Repairs to building	5.46	2.30
Repairs to plant and machinery	93.89	82.03
Repairs - others	193.78	199.09
Insurance	182.41	144.14
Rates and taxes	107.22	40.29
Printing and stationery	31.51	29.54
Communication expenses	79.42	69.96
Directors' fees	8.50	8.10
Payment to Auditors	16.43	17.12
C&F Charges	48.64	61.90
Travelling expenses	640.11	573.48
Application Charges	502.32	265.10
Freight	2,541.45	2,313.85
Loss on sale/transfer of PPE	0.04	20.99
Provision for Bad & Doubtful Debt	2,654.25	2,441.20
Miscellaneous Expenses*	1,681.95	1,516.06
	9,641.75	8,675.55

*including expenditure on research & development activities, incurred during the year is ₹ 54.32 lakh (previous year ₹ 23.40 lakh).

Payment to Auditors

Audit Fee	7.25	7.25
Certification fee and other Services	4.85	3.60
Reimbursement of expenses	2.83	4.77
TOTAL	14.93	15.62

Payment to Tax Auditors

Tax Audit Fees	1.50	1.50
TOTAL	1.50	1.50

39. Exceptional Items

39.1 Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for insurance claim recoverable	-	412.39
Disposable Inventories, as scrap	-	1,155.38
Provision for Custom duty (advance license)	106.51	-
Excise Duty paid/written off	88.57	-
Other balances written-off*	509.87	-
TOTAL	704.95	1,567.77

*Other balances written off' comprises- (i) Sales/CST/VAT deposits written off - ₹ 384.10 lakh (on assessments completed-as certified by management), under relevant Acts (ii) Irrecoverable Other deposits written off - ₹ 84.22 lakh (iii) Unrealisable Receivables written off - ₹ 41.55 lakh, net of credit balance of ₹ 171.77 Lakh.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



39.2 Incomes

	Year ended March 31, 2020	Year ended March 31, 2019
Insurance Claim Recovered (Refer Note No. 54)	1,399.85	-
TOTAL	1,399.85	-

40. Tax Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Income tax recognized in profit or loss		
Current tax expense		
Current year	-	-
Deferred tax expense/(income)		
Origination and reversal of temporary differences	(1,797.22)	(2,731.69)
	(1,797.22)	(2,731.69)

41. OTHER COMPREHENSIVE INCOME

(i) Items that will not be reclassified to profit or loss (refer note 45)

Remeasurements of the defined benefit plans	21.16	(83.48)
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(ii) Income tax relating to items that will not be reclassified to profit or loss

Related to Remeasurements of defined benefit plans	6.60	(26.05)
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42. EARNING PER SHARE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Net profit/ (loss) as attributable for equity shareholders	(3,787.60)	(8,157.03)
(b) Weighted average number of equity shares (Nos.)	5,43,00,259	5,36,41,387
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	21,375	22,875
(d) Weighted average number of Equity shares in computing diluted earning per share	5,43,21,634	5,36,64,262
Basic Earnings per Share	(6.98)	(15.21)
Diluted Earnings per Share*	(6.98)	(15.21)

*Effect being antidilutive, hence ignored.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

43. A. Contingent Liabilities and claims against the Company

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent liabilities, to the extent not provided for in respect of:		
Guarantees, Undertakings & Letter of Credit		
Guarantees issued by the Company's Bankers on behalf of the Company	343.78	267.42
Letter of Credit	2,783.35	2,496.22
Demands		
Excise Duty	461.07	837.61
Custom Duty	-	54.00
Sales Tax (excluding liability on account of C/F/Other forms) The management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect)	1,851.94	1,677.78
Income Tax	67.50	221.44
Others	2,241.16	1,436.11

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

(i) It is not possible to predict the outcome of the pending litigations with accuracy, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The management believe the ending actions 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.

(ii) Under the Goods & Services Tax Act, 2017 (the Act), the Company's liability in respect of input credit of taxes availed by it but not paid by suppliers of goods & services as at the year end, is unascertained. The management is taking appropriate follow up measures with such suppliers to get the due taxes (claimed as input credit by the Company) paid by them before filing of annual return under the Act.

B. Commitments

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for, net of advances of ₹ 16.62 lakh (March 31, 2019 ₹ 437.69 lakh)	58.35	1469.49
(ii) Uncalled liability on partly paid up shares	40.50	40.50

44. THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Principal amount remaining unpaid to any supplier as on 31 st March	642.64	872.23
b) Interest due on above remaining unpaid to any supplier as on 31 st March	210.52	193.65
c) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) * 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	-	-
e) the amount of interest accrued and remaining unpaid (for the year)	16.87	99.56
f) 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 this Act.	-	-

Note:

- (i) The above disclosure is given as per available information, to the extent ascertained, on principal outstanding dues as at the year end excluding the overdue amount settled/paid off during the year.
- (ii) * No provision of interest & payment thereof have been made on overdue principal amount settled/paid during the year. The amount of said interest is unascertained.
- (iii) Auditor has relied upon the information furnished in respect of above disclosures.

45. "Employee Benefits", in accordance with Accounting Standard (Ind AS-19) :

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

The Company has recognised an expense of ₹ 60.13 lakh (Previous Year ₹ 150.53 lakh) towards the defined contribution plan.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



b) Defined benefits obligation - as per actuarial valuation

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
	Funded	Non-Funded	Funded	Non-Funded
I Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	665.10	90.70	516.87	47.76
- Current Service Cost	31.16	6.06	27.44	9.46
- Past Service Cost	-	-	-	-
- Interest Cost	50.55	6.89	39.80	3.68
- Acquisition cost	-	-	-	-
Actuarial loss/(gains) on Obligation	(21.57)	20.81	83.68	42.67
Benefits Paid	(52.92)	(30.29)	(2.69)	(12.87)
Present Value of obligation as at year-end	672.31	94.17	665.10	90.70
II Change in Fair Value of Plan Assets during the year				
Plan assets at the beginning of the year	6.28	-	2.35	-
Investment Income	0.48	-	0.18	-
Employer's contribution	37.91	-	6.25	12.87
Benefits paid	(39.07)	-	(2.69)	(12.87)
Actuarial loss/(gains)	(0.41)	-	0.19	-
Plan assets at the end of the year	5.19	-	6.28	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1 Present Value of obligation as at year-end	672.31	94.17	665.10	90.70
2 Fair value of plan assets at year -end	5.19	-	6.28	-
3 Funded status {Surplus/(Deficit)}	(667.12)	(94.17)	(658.82)	(90.70)
IV Expenses recognised in the Statement of Profit and Loss				
1 Current Service Cost	31.16	6.06	27.44	9.46
2 Interest Cost	50.07	6.89	39.62	3.67
3 Past service Cost	-	-	-	-
4 Expected return on plan assets	-	-	-	-
5 Actuarial (Gain) / Loss	-	20.81	-	42.67
Total Expenses	81.23	33.76	67.06	55.80
V Expenses recognised in the Statement of Other Comprehensive Income				
1 Net Actuarial (Gain)/Loss	(21.16)	-	83.48	-
VI Division of DBO at the end of the year				
1 Current Liability	395.09	53.20	407.11	46.13
2 Non-Current Liability	277.22	40.96	257.98	44.57
VII Actuarial Assumptions				
1 Discount Rate	7.60%	7.60%	7.60%	7.60%
2 Mortality Table	As per IALM 2006-08 Ultimate			
3 Salary Escalation	2.00%	2.00%	2.00%	2.00%

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. The above information is certified by the actuary.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



VIII	Particulars	Actual Return on Plan Assets		Estimates of Contribution for next year		
		Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019	
		Funded	Funded	Funded	Funded	
	1) Gratuity	(0.41)	0.19	-	-	
IX	History of Experience Adjustment:	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	Gratuity					
	Present Value of obligation	672.31	665.10	516.87	439.04	436.95
	Fair value of Plan assets	5.19	6.28	2.35	0.73	17.58
	Net Asset/(Liability)	(667.13)	(658.82)	(514.52)	(438.31)	(419.37)
	Actuarial (Gain)/Loss on plan obligation	(21.57)	83.68	18.08	(46.25)	(1.64)
	Actuarial Gain/(Loss) on plan assets	(0.41)	0.19	(0.05)	(1.38)	(0.77)
	Leave Encashment					
	Present Value of obligation	94.17	90.70	47.76	65.46	57.17
	Fair value of Plan assets	-	-	-	-	-
	Net Asset/(Liability)	(94.17)	(90.70)	(47.76)	(65.46)	(57.17)
	Actuarial (Gain)/Loss on plan obligation	20.81	42.67	(35.62)	4.08	1.98
	Actuarial Gain/(Loss) on plan assets	-	-	-	-	-
	X	Sensitivity Analysis	Year ended March 31, 2020		Year ended March 31, 2019	
Assumption		Impact on liabilities		Impact on liabilities		
Changes in assumption		Increase	Decrease	Increase	Decrease	
Gratuity						
Discount rate -/+1% movement		23.49	26.77	17.22	20.55	
Future salary growth +/-1 % movement		27.94	24.84	22.32	18.85	
Leave Encashment						
Discount rate -/+1% movement		7.75	9.00	3.26	4.02	
Future salary growth +/-1 % movement		9.40	8.19	4.62	3.73	
XI		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 follow -			
	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 expose the company to the risk of fall in interest rates. A fall 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/ cash equivalent 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 turing out to be worse compared to the assumptions.					
XII	The major catagories of plan assets for gratuity as a percentage of the fair value of total plan assets are as follows:					
Particulars	March 31, 2020		March 31, 2019			
Fund managed by Insurer	100.00%		100%			

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

46. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial Assets

Particulars	Fair Value Hierarchy	As at March 31, 2020		As at March 31, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial assets designated at fair value through profit and loss					
a) Investment					
i) In Preference shares	Level-3	30.16	30.16	49.31	49.31
2. Financial assets designated at amortised cost					
a) Other bank balances		176.15	176.15	523.57	523.57
b) Cash & Cash Equivalents		275.14	275.14	8,570.55	8,570.55
c) Trade & Other receivables	Level-3	7,150.08	7,150.08	9,901.46	9,901.46
d) Loans	Level-3	916.23	916.23	912.31	912.31
e) Investment in Debentures	Level-3	0.23	0.23	0.23	0.23
f) Other Financial Assets	Level-3	846.27	846.27	1,088.90	1,088.90
3. Investment in subsidiary Companies		51.35	51.35	28.45	28.45

Financial Liabilities

Particulars	Fair Value Hierarchy	As at March 31, 2020		As at March 31, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial liabilities designated at amortised cost					
a) Borrowings	Level-3	12,076.35	12,076.35	15,237.57	15,237.57
b) Trade & Other Payables	Level-3	9,610.38	9,610.38	9,763.72	9,763.72
c) Other Financial Liability	Level-3	2,971.70	2,971.70	2,321.17	2,321.17

1. The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

2. The carrying amount of financial assets and financial liabilities measured at amortised cost in the 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.

3. Financial assets & liabilities under fair value hierarchy (Level 1 & 2) - Nil.

Fair value hierarchy

Level 1 - Quoted prices/NAV (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

47. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables. The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also.

The following disclosures summarize the Company's exposure to financial risks. Quantitative sensitivity analyses have also been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

i. 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. These comprise three types of risk i.e. currency rate risk, interest rate risk and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

a) Foreign Currency Risk and sensitivity

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. Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the Company's financials assets and financials liabilities at the reporting date i.e. 31st March 2020, net of related foreign exchange contracts.

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



The carrying amounts of the Company's foreign currency denominated monetary items (Unhedge) are as follows:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Financial Assets		
Trade receivables	167.33	99.71
Financial liabilities		
Trade payables	289.89	71.25
Loan from related parties	-	553.37
Net assets / (liabilities)	457.22	724.33

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

5% increase and decrease in foreign exchanges rates will have the following impact on profit/(loss) before tax

Particulars	2019-20		2018-19	
	5% Increase	5% decrease	5% Increase	5% decrease
USD Sensitivity	22.86	(22.86)	36.22	(36.22)
Increases/ (decrease) in profit or loss	22.86	(22.86)	36.22	(36.22)

b. Interest Rate Risk and Sensitivity

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 31 st March, 2020		As at 31 st March, 2019	
	INR	Total	INR	Total
Fixed Rate Borrowings	-	-	-	-
Variable Rate Borrowings	12,076.35	12,076.35	553.37	553.37
Total Borrowings	12,076.35	12,076.35	553.37	553.37

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & (Loss) before tax	
	31-Mar-20	31-Mar-19
INR Borrowings		
Interest Rate Increase by 0.50%	(60.38)	(73.42)
Interest Rate decrease by 0.50%	60.38	73.42
USD Borrowings		
Interest Rate Increase by 0.25%	-	(1.38)
Interest Rate decrease by 0.25%	-	1.38

c. Commodity price risk and sensitivity

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.

ii. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk arising from trade receivable is managed in accordance with the Established Policy etc, procedures and control relating to customer credit risk management. The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk.

For trade receivables, as 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

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

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. The provision matrix as at the end of the reporting period and expected credit loss for the year end against Trade receivables (Financial assets) as ascertained by the management and confirmed by the IBBI registered valuer are as follows:

Ageing	Expected credit loss (%)
Within the credit period	3.31
0-1 year	4.83
1-2 years	43.13
More than 2 years	100.00

Movement in expected credit loss allowance (net)

Particulars	Life time expected credit losses		12-months expected credit losses	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Balance at the beginning	1,843.56	-	597.64	-
Provision Reduced during the year	1,741.18	-	-	-
Additional provision created during the year	2,601.25	1,843.56	53.00	597.6
Balance at the end	2,703.63	1,843.56	650.64	597.64

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. In general it is presumed that credit risk has significantly increased since initial recognition if legal action needs to be initiated against such trade receivables.

iii. Liquidity risk

Liquidity risk refers to risk of financial distress or high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are reviewed by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Expected maturity for financial liabilities

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	12,076.35	8,411.75	1,844.31	1,820.28	12,076.35
Trade & Other payables	9,610.38	2,811.09	5,807.74	991.55	9,610.38
Other financial liabilities	2,971.70		2,827.90	143.81	2,971.71

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	15,237.57	10,391.10	3,037.37	1,809.10	15,237.57
Trade & Other payables	9,763.72	1,550.64	7,394.57	818.52	9,763.72
Other financial liabilities	2,321.17		2,207.36	113.81	2,321.17

47.1 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 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 capital, as the case may be.

	As at March 31, 2020	As at March 31, 2019
Borrowings	12,076.35	15,237.57
Less: cash and cash equivalents	275.14	8,570.55
Net debt	11,801.21	6,667.02
Total Equity	25,642.10	28,846.37
Capital and Net debt	37,443.30	35,513.39
Gearing Ratio	32%	19%

Note: Sensitivity analysis for risk management is based on management estimates.

Notes to the Standalone Financial Statements (Contd.)



(All amounts in ₹ lakh, unless otherwise stated)

48. Related Party Disclosure as per Ind AS 24

A. List of Related Party & Relationship

Name of Related Party	Country of Incorporation	Ownership Interest	
		31 st March 2020	31 st March 2019
(a) Subsidiary Companies			
1 Shalimar Adhunik Nirman Ltd.	India	99.99%	99.99%
2 Eastern Speciality Paints & Coating Pvt. Ltd.	India	100%	100%
(b) Key Managerial person			
1 Mr. Surender Kumar	Managing Director & CEO (Ceased to be director w.e.f. 11.08.2019)		
2 Mr. Ashok Kumar Gupta	Managing Director (Appointed as MD w.e.f 27.12.2019)		
3 Mr. Sandeep Gupta	Chief Financial Officer (Ceased to be CFO w.e.f 27.12.2019)		
4 Mr. Nitin Gupta	Company Secretary (Ceased to be Company Secretary w.e.f. 28.05.2019)		
5 Mr. Gautam	Company Secretary (Appointed as Company Secretary w.e.f. 12.08.2019)		
6 Mr. Ashish Kumar Bagri	Chief Financial Officer (Appointed as CFO w.e.f 27.12.2019)		
(c) Relative of KMP			
1 Mrs. Anita Gupta (Wife of Mr. Sandeep Gupta)			
(d) Other related parties			
1 Virtuous Tradecorp Pvt. Ltd.	Substantial beneficial owner (SBO) in the company		
2 Hind Strategic Investment	Substantial beneficial owner (SBO) in the company		
3 Mr. Alok Perti	Non-Executive Director		
4 Mr. Gautam Kanjilal	Non-Executive Director		
5 Ms. Pushpa Chowdhary	Non-Executive Director (Ceased to be Director w.e.f. 28.05.2019)		
6 Mr. Ashok Kumar Agarwal	Non-Executive Director (Appointed as Director w.e.f. 12.08.2019)		
7 Mr. Sanjay Kumar Gupta	Non-Executive Director (Appointed as Director w.e.f. 27.12.2019)		
8 Ms. Shruti Srivastava	Non-Executive Director (Appointed as Director w.e.f. 20.02.2020)		
9 Ms. Urvi Jindal	Non-Executive Director (Appointed as Director w.e.f. 28.05.2019 & Ceased to be Director w.e.f. 09.11.2019)		

B. Related Party Transaction

Particulars	Transaction during the year	
	FY 2019-20	FY 2018-19
Loans & Advances(Given)		
Shalimar Adhunik Nirman Ltd.	28.83	22.19
Reimbursement of expenses incurred by Company		
Eastern Speciality Paints & Coatings Pvt. Ltd.	0.18	0.12
Mr. Surender Kumar	0.01	0.20
Mr. Nitin Gupta	0.48	0.64
Mr. Sandeep Gupta	0.12	0.20
Mr. Ashok Kumar Gupta	0.96	-
Mr. Ashish Kumar Bagri	0.06	-
Mr. Gautam	0.15	-
Loans & Advances(Taken)		
Hind Strategic Investment	-	-
Interest on Loan		
Hind Strategic Investment	0.64	29.30
Conversion of ECB Loan		
Hind Strategic Investment	553.37	-
Directors Sitting Fees:		
Mr. Alok Perti	2.50	1.70
Mr. Gautam Knajilal	4.40	4.70
Ms. Pushpa Chowdhary	0.40	1.70
Mr. Ashok Kumar Agarwal	0.80	-
Mr. Sanjay Kumar Gupta	0.40	-
Vehicle hire charges		
Mrs. Anita Gupta (Wife of Mr. Sandeep Gupta)	-	2.16
Remuneration and other perquisites :-		
(a) short-term employee benefits;	193.73	209.00
(b) post-employment benefits;	(5.56)	2.66
(c) other long-term benefits;	2.30	0.29

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



Particulars	Outstanding Balances at the year ended	
	31 st March, 2020	31 st March, 2019
Loan & Advances (Given)		
Shalimar Adhunik Nirman Ltd.	750.92	722.09
Eastern Speciality Paints & Coatings Pvt. Ltd.	0.62	0.44
Investment		
Shalimar Adhunik Nirman Ltd.	59.50	59.50
Eastern Speciality Paints & Coatings Pvt. Ltd.	5.00	5.00
Salary Payable		
Mr. Surender Kumar	-	6.53
Mr. Sandeep Gupta	-	4.15
Mr. Nitin Gupta	-	0.78
Mr. Ashok Kumar Gupta	14.62	-
Mr. Ashish Kumar Bagri	2.57	-
Mr. Gautam	0.88	-
Interest Payable		
Hind Strategic Investment	-	2.66
Loans & Advances(Taken)		
Hind Strategic Investment	-	553.37

Compensation to Key Management Personnels

Particulars	Short-term employee benefits	
	FY 2019-20	FY 2018-19
Mr. Surender Kumar	38.85	117.33
Mr. Sandeep Gupta	62.95	81.05
Mr. Nitin Gupta	1.97	10.61
Mr. Ashok Kumar Gupta	65.86	-
Mr. Ashish Kumar Bagri	16.10	-
Mr. Gautam	8.00	-

49. SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

I. Option Movement during the year ended Mar 2020

Particulars	March 31, 2020		March 31, 2019	
	No. of options	Wt. avg exercise Price (in ₹)	No. of options	Wt. avg exercise Price (in ₹)
No. of Options Outstanding at the beginning of the year	22,875	92.08	30,875	97.19
Options Granted during the year				
Options Forfeited / Surrendered / Lapsed during the year	1,500	92.08	8,000	97.19
Options exercised during the year	-	-	-	-
Number of options Outstanding at the end of the year	21,375	90.73	22,875	92.08

Notes to the Standalone Financial Statements (Contd.)



(All amounts in ₹ lakh, unless otherwise stated)

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2020		March 31, 2019	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
43.80- 111.22	21,375	4.98	22,875	4.98

III. Weighted average Fair Value of Options granted during the year

Particulars	March 31, 2020	March 31, 2019
Exercise price is less than market price	97.84	98.23

IV. The weighted average market price of options exercised during the year ended March 31, 2020 is 135.33

The weighted average market price of options exercised during the year ended March 31, 2019 is 137.34

V. Method and Assumptions used to estimate the fair value of options granted during the year ended:

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Variables	March 31, 2020	March 31, 2019
	Weighted Average	Weighted Average
1. Risk-free rate of return	8.15%	8.15%
2. Time to Maturity	-	0.32
3. Expected Volatility	69.57%	69.57%
4. Expected divided yield	-	-
5. Exercise Price (in ₹)	90.73	92.08
6. Price of the underlying share in market at the time of the option grant.(in ₹)	135.33	137.34

VI. Particulars	March 31, 2020	March 31, 2019
Employee Option plan expense	(1.56)	(5.66)
Total liability at the end of the period	20.91	22.47

50. Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test for assets are monitored for internal management purposes, within the only operating segment i.e. Manufacture of paints. During the year the impairment testing did not result in any impairment in the carrying amount of assets, doubtful trade receivables as referred to in Note 47.

51. Segment information

The company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints & allied products.

52. Loan to related party (refer note 9) includes the balance consideration of ₹ 492 lakh (interest free) receivable by the Company in cash as per the order of Hon'ble High Courts of Calcutta and Delhi, for transfer of its Real Estate Division to the subsidiary Company, Shalimar Adhunik Nirman Limited.

53. Other receivable includes,

(i) Fire insurance claim receivable ₹ 387.10 lakh (net of ₹ 1099.73 lakh received in earlier years) related to Nasik plant. The policy is on Reinstatement basis. The above claim of receivables are accounted for on estimated basis pending final assessment by the insurer.

(ii) ₹ 352.46 (net of ₹ 1122.35 lakh received during the year) in respect to Howrah Plant insurance claim. The total claim receivable against the inventory and fixed assets was ₹ 1474.81 lakh but in final settlement Insurance Company paid an amount of ₹ 1122.35 lakh. Company is not in agreement with the settlement amount and has filed an arbitration petition, and the arbitration proceedings are under progress.

54. The Company has claimed ₹ 32.90 crore in respect of Nasik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their interim report at ₹ 22.14 crore (loss of production method)

Notes to the Standalone Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

& at ₹ 22.63 crore (Turnover method). Against the claim, the Company has received ₹ 14 crore (as interim payment) during the current financial year, and the same has been shown under the head Extraordinary items/ gain. The said claim has been accounted for, as a matter of prudence, on receipt basis.

55. Fixed assets and inventories, except the said damaged assets, have been verified & valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy.
56. Term Loan from financial institutions represent loan availed by Company for working capital for business needs.
57. The Division Bench of Hon'ble High Court of Calcutta passed an order on 07/05/2009 requiring the Company to give immovable property to the extent of ₹ 4.5 Crores as a security in favour of Tara Properties (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of the land at Goabaria as a security.
58. Due to outbreak of pandemic COVID 19 globally and in India, the operations of the Company, were impacted, due to shutdown of all its plants and offices/depots following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2020. The management does not see any medium and long term risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly the impact may be different from that estimated as at the date of approval of these financial statements.
59. Some of the Financials assets & liabilities including trade receivables, trade payables and advances, are pending for confirmation/ reconciliation, and impact of the same on financial statements, if any, is unascertained.
60. Previous year figures have been regrouped/rearranged/recast, whatever considered necessary to confirm to current year's classification.

As per our report of even date Attached

For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

Independent Auditors' Report



To The Members of Shalimar Paints Limited Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Shalimar Paints Limited** (“the Company”) and its subsidiaries- **Shalimar Adhunik Nirman Limited & Eastern Speciality Paints & Coating Private Limited** (collectively referred to as “**the Group**”), which comprise the Consolidated Balance Sheet as at 31st March, 2020, and 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 Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (herein after referred to as “the Consolidated Ind AS financial statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements, the aforesaid Consolidated Ind AS 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 accounting principles generally accepted in India and the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read together with Companies (Indian Accounting Standards) Rules, 2015, of the consolidated state of affairs of the Group as at 31st March, 2020, and its consolidated loss, Consolidated total comprehensive income, its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing as specified under section 143(10) of the Act (SAs). 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 independence, ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Emphasis of Matter

We draw your attention to note no 58 of consolidated financial statements which explains the management’s assessment/ evaluation of the financial impact due to lockdown arising with the advent of COVID 19.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor’s Response
1	<p>Evaluation of Trade receivables: The Company’s Trade receivables included material disputed receivables & receivables against which legal proceedings have been initiated or to be initiated by the Company. The Company has made provision for trade receivables (which are significantly disputed and which are subjected to legal proceedings) for ₹ 2601.25 Lakh under the head ‘Life Time Expected Credit Loss’, besides regular provisioning for expected credit loss of ₹ 53.00 Lakh under the head ‘12 months Expected Credit Loss’. [(Refer Note 47(ii) of the Consolidated Financial Statement)]</p>	<p>Principal Audit Procedures While reviewing the quality of trade receivables from realization perspective based on information & explanation made available to us, we also have relied upon the management representation with respect to fair valuation of trade receivable in accordance of applicable Ind AS which have been confirmed by the IBBI Registered Valuer recognized under Companies Act, 2013 (hereinafter referred to as ‘Registered Valuer’). Trade receivables which carried significant credit risk and /or credit impaired, as evaluated in terms of provisioning thereof, have been broadly reviewed by us, on selective basis. The provision for Life Time credit loss is 100% of receivables (disputed) whereas in the previous year, it was 40%. Our audit approach was a combination of test of internal controls with respect to Trade receivable management and substantive procedures. The Audit Committee of the Company has also reviewed and approved the provisioning of Trade receivables for fair value thereof.</p>

<p>2</p>	<p>Evaluation of Exceptional Expenses Company during the year has written off /provided for /paid substantial amount of ₹ 704.95 lakh in relation to transactions of earlier years. The said amount included 'Other balances written off - ₹ 509.87 lakh [Refer Note (39.1) of the Consolidated Financial Statement]</p>	<p>Principal Audit Procedures 'Other balances written off - ₹ 509.87 lakh It comprises- (i) Sales/CST/VAT deposits written off- ₹ 384.10 lakh (on assessments completed under relevant Acts) (ii) Irrecoverable Other deposits written off - ₹ 84.22 lakh (iii) Unrealizable Receivables written off - ₹ 41.55 lakh, net of credit balance of ₹ 171.77 Lakh. We have relied upon the management representation & certification while carrying out our audit. We have broadly reviewed 'Exceptional Expenses' on selective basis, as per information and explanation furnished to us. The Audit Committee of the Company has also reviewed and approved the said write off for fair valuation of current assets.</p>
<p>3</p>	<p>Evaluation of un-ascertained tax & other liabilities The Company has material unascertained disputed taxes & other liabilities shown as contingent liabilities, the determination of which involves significant management judgment. (Refer Notes 43 of the Consolidated Financial Statements)</p>	<p>Principal Audit Procedures We have obtained the details of completed tax assessments and demands for the year ended and up to March 31, 2020 from management. We evaluated the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also evaluated the disputed tax demands of earlier years having regard to legal precedence and other rulings in evaluating management's position on these uncertain tax positions. The material uncertain tax position & uncertain other liabilities, giving rise to disputed liabilities shown as contingent liabilities, have been examined by us having regard to material information & explanation furnished to us by the management. We review material uncertain tax position & uncertain other liabilities from year to year basis for changes therein.</p>

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the annual report comprising Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, among others, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group 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.

The respective Board of Directors of the Companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the respective Board of Directors of the Companies included in the Group are responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the Companies included in the Group are also responsible for overseeing the Group's financial reporting process.

Independent Auditors' Report (Contd.)

Auditor's responsibility for the audit of the Consolidated Ind AS Financial Statements

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 (SAs) will always detect 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 Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 financial controls 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 system 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 management's 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 consolidated Ind AS 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 consolidated Ind AS financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Matters

- (i) We did not audit the financial statements of subsidiaries of the Company (included in consolidated Ind AS financial statements), whose financial statements financial information reflect total assets of ₹ 2729.24 lakh as at 31 March 2020, and total revenues of ₹ 2.07 lakh, total net loss after tax of ₹ 30.84 lakh, total comprehensive loss of ₹ 30.84 lakh, and cash outflows (net) of ₹ 0.02 lakh for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated Ind AS 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, is based solely on the reports of the other auditors.
- (ii) As per information and explanation furnished to us, the insurance claims of loss for damage of immovable & movable assets and for Loss of profit due to fire in Company's plant located at Nasik, are yet to be assessed by the Insurer & claim have been accounted for on estimated/realization basis. The Company is in arbitration for additional claim on account of fire claim at Howrah Plant (Note 53 & 54 of consolidated financial statements).

- (iii) Some of the financial assets & liabilities including trade receivables, trade payables & advances are pending confirmation /reconciliation, and their impact on financial statements, if any, is unascertained.(Note 59 of Consolidated financial statements)
- (iv) As regard disclosure in Note 44 of consolidated financial statements regarding Micro, Small & Medium Enterprises, we have relied upon the information & explanation, to the extent made available to us by the management.

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
- We/ the other auditors (whose report we have relied upon) have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as it appears from our examination of those books and reports of the other auditors.
 - The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
 - In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act & Rules made thereunder.
 - On the basis of the written representations received from the directors of the Company as on 31st March, 2020 taken on record by the Board of Directors of the Company and its subsidiaries incorporated in India and the reports of the statutory auditors of said subsidiary companies, none of the directors of the Group Companies is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies. Our report & report of auditors of subsidiary companies, expresses an unmodified opinion on the adequacy and operating effectiveness of the Group's internal financial controls over financial reporting.
 - With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197 (16)of the Act, 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 auditors of subsidiary companies, the remuneration paid by the Company & its subsidiaries, as the case may be, to its/their directors during the year is in accordance with the provisions of section 197 of the Act.
 - With respect to the other matters to be included in the Auditors' 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:
 - The Company and /or its subsidiaries have disclosed the impact of pending litigations on its financial position in its consolidated Ind AS financial statements.(Note 43 to the Consolidated Ind AS financial statements)
 - The Company & its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiaries.

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Place : Kolkata
Date : 30th June, 2020

Arun Kumar Dubey
Partner
Membership No.- 057141
UDIN: 20057141AAAAAT4900

Independent Auditors' Report (Contd.)

Annexure-A' to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' Section of our report of even date to the Members of Shalimar Paints Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Shalimar Paints Limited ("the Company") and its subsidiaries as of and for the year ended 31st March, 2020 in conjunction with our audit of the consolidated Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's & Its subsidiary companies managements, represented by their Board of directors, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 its business, including adherence to respective 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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. A company's internal financial control over financial reporting with reference to these consolidated Ind AS financial statements includes 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, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020,

Independent Auditors' Report (Contd.)

based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

The internal financial controls over financial reporting (IFCOFR) in so far as it relates to company's subsidiary companies, have been audited by other auditors whose reports have been furnished to us by the management; and our report on the adequacy and operating effectiveness of the IFCOFR for the Company, its subsidiary companies, 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 auditors.

Place : Kolkata

Date : 30th June, 2020

For A K Dubey & Co.
Chartered Accountants
Firm Registration No. 329518E

Arun Kumar Dubey

Partner

Membership No.- 057141

UDIN: 20057141AAAAAT4900

Consolidated Balance Sheet as at March 31, 2020

(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	As at 31-03-2020	As at 31-03-2019
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	28,832.78	24,296.96
Right-of-use-assets	5.2	84.10	142.32
Capital work-in-progress	6	10.05	2,358.34
Intangible assets	7	548.08	133.07
Financial Assets			
i) Investments	8	0.23	0.23
ii) Loans	9	165.69	190.79
iii) Other financial assets	10	-	31.14
Deferred tax assets (net)	11	4,591.40	2,800.78
Other non-current assets	12	16.62	437.63
Current assets			
Inventories	13	8,661.52	7,135.74
Financial Assets			
i) Trade receivables	14	7,150.08	9,901.46
ii) Cash and cash equivalents	15.1	280.89	8,576.30
iii) Bank balances other than (ii) above	15.2	177.15	524.57
iv) Other financial assets	16	846.27	1,057.76
Current Tax Assets (Net)	17	291.60	283.49
Other current assets	18	1,951.22	1,549.68
Total Assets		53,607.68	59,420.26
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	19	1,086.02	1,072.84
Other Equity	20	26,201.14	29,452.95
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	21	1,820.29	1,809.10
ii) Lease Liabilities	22	92.25	146.80
iii) Other financial liabilities	23	143.81	110.21
Provisions	24	612.99	602.55
Current liabilities			
Financial Liabilities			
i) Borrowings	25	10,069.59	12,682.57
ii) Trade payables	26		
Outstanding dues to Micro, Small and Medium Enterprises		642.64	1,065.87
Outstanding dues to trade payables other than Micro, Small and Medium Enterprises		8,967.74	8,697.85
iii) Other financial liabilities	27	3,014.85	2,961.69
Other current liabilities	28	508.07	364.59
Provisions	29	448.29	453.24
Total Equity and Liabilities		53,607.68	59,420.26
Overview and Significant Accounting Policies	1-4		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date Attached

For A. K. Dubey & Co.,
Chartered Accountants
(ICAI Firm Registration No.: 329518E)

For and on Behalf of Board of Directors

Arun Kumar Dubey
Partner
(Membership No.: 057141)
UDIN:

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN: 00475747

Place : Kolkata
Date : 30th June, 2020

Ashish Kumar Bagri
Chief Financial Officer

Gautam
Company Secretary
Mem. No:- ACS 30581

Consolidated Statement of Profit & Loss for the year ended as at March 31, 2020
(All amounts in ₹ lakh, unless otherwise stated)

Particulars	Note No.	Year ended March 31, 2020	Year ended March 31, 2019
Revenue From Operations	30	34,385.02	28,761.99
Other Income	31	112.80	203.20
Total Revenue		34,497.82	28,965.19
EXPENSES			
Cost of materials consumed	32	21,857.82	19,393.22
Purchases of Stock-in-Trade	33	2,489.89	1,931.23
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	34	(1,119.80)	731.58
Employee Benefit Expenses	35	4,867.66	4,200.51
Finance costs	36	1,985.25	2,504.86
Depreciation and amortization expense	37	1,085.40	877.50
Other expenses	38	9,642.16	8,676.33
Total expenses		40,808.38	38,315.23
Profit/(loss) before exceptional items and tax		(6,310.56)	(9,350.04)
Expenses	39.1	704.95	1,567.77
Income	39.2	1,399.85	-
Profit/(loss) before tax		(5,615.66)	(10,917.81)
Tax expense	40		
Current Tax		-	-
Deferred tax		(1,797.22)	(2,740.27)
Profit/(loss) for the period		(3,818.44)	(8,177.54)
Other Comprehensive Income	41		
(i) Items that will not be reclassified to profit or loss		21.16	(83.48)
(ii) Income tax effect on above		6.60	(26.05)
Total Other Comprehensive Income/(loss) for the year		14.56	(57.43)
Total Comprehensive Income/(loss) for the year		(3,803.88)	(8,234.97)
Earnings per share of ₹ 2/- each	42		
1) Basic (in ₹)		(7.03)	(15.24)
2) Diluted (in ₹)		(7.03)	(15.24)
Overview and Significant Accounting Policies	1-4		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date Attached

For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

Consolidated Cash Flow Statement for period year ended March 31, 2020
 (All amounts in ₹ lakh, unless otherwise stated)

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) Before Tax	(5,615.66)	(10,917.81)
Adjustments for:		
Depreciation, amortization and impairment expenses	1,085.40	877.50
Net (Gain) / Loss on Sale of Property, Plant & Equipment	0.29	20.99
Net (Gain) / Loss on Sale/ Fair valuation of Investment	-	(0.00)
Bad debts/Provision for doubtful debts	2,654.25	2,441.20
Change in inventory valuation	-	1,155.38
Provision for insurance claim recoverable	-	412.39
Other receivables written off	-	15.50
Employee stock option expenses	(1.56)	(5.66)
Finance Costs	1,985.25	2,504.86
Interest Income	(65.74)	(158.78)
Operating Profit/(loss) before Working Capital changes	42.23	(3,654.43)
Movements in working capital:		
Trade receivables	119.83	(1,826.13)
Other receivables	(234.38)	1,009.21
Inventories	(1,525.78)	(890.47)
Trade payables (incl LC)	(358.39)	(3,689.13)
Trade & other payables	1,034.99	(341.98)
Cash (used in)/generated from operating activities	(921.50)	(9,392.94)
Direct Taxes (paid)/refund (net)	(8.11)	(5.71)
Net cash (used in)/generated from operating activities	(929.61)	(9,398.65)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of Property, Plant & Equipment/ Intangible Assets including Capital Advances	(3,277.17)	(3,324.56)
Interest/other income Received	108.92	111.71
Movement in Margin money/Fixed deposits	378.56	(157.62)
Net cash (used in)/ generated by investing activities	(2,789.69)	(3,370.47)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Share capital	570.35	25,060.55
Proceeds from /(repayment) of Borrowings (net)- Long term	(548.25)	(350.81)
Right Issue Expense	-	(100.05)
Proceeds from /(repayment) of Borrowings (net)- Short term	(2,612.98)	(2,320.54)
Finance Costs	(1,985.25)	(2,501.40)
Net cash (used in)/generated by financing activities	(4,576.13)	19,787.75
Net cash (used) in/ from Operating, Investing & Financing Activities	(8,295.42)	7,018.62
Opening balance of Cash and Cash equivalent	8,576.31	1,557.68
Closing balance of Cash & Cash equivalent	280.89	8,576.30
Note: Cash and cash equivalents included in the Cash Flow Statement comprise of the following (refer note 15.1):-		
i) Cash Balance on Hand	0.18	4.12
ii) Balance with Banks :	-	-
-In Current Accounts	37.31	5,516.95
-In Fixed Deposits	-	-
-Cheques/draft in hand	-	-
-Bank deposits with maturity of less than 3 months	243.40	3,055.23
Total	280.89	8,576.30

As per our report of even date Attached

For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

 Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

Statement of Change in equity for the year ended March 31, 2020
 (All amounts in ₹ lakh, unless otherwise stated)

A. Equity Share Capital	Amount
Equity Share Capital as on 31 st March 2018	378.92
Movement during the year 2018-19	693.91
Equity Share Capital as on 31st March 2019	1,072.84
Movement during the year 2019-20	13.18
Equity Share Capital as on 31st March 2020	1,086.02

B. Other equity

Particulars	Reserves & Surplus				Other Compre- hensive Income	Total
	Securities Premium Reserve	Share Options Out- standing	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at March 31, 2018	961.10	28.73	4,061.71	8,354.02	18.48	13,424.01
-Profit or Loss for the year				(8,173.97)		(8,173.97)
-Other comprehensive income for the year					(57.43)	(57.43)
-Movement during the year	24,366.67	(6.26)				24,360.41
-Right issue expenses	(100.05)					(100.05)
Balance as at March 31, 2019	25,227.72	22.47	4,061.71	180.05	(38.95)	29,452.95
-Profit or Loss for the year				(3,818.44)		(3,818.44)
-Other comprehensive income for the year					14.56	14.56
-Addition during the year	557.14	(1.56)				555.60
-Movement during the year				(3.57)		(3.57)
Balance as at Mar 31, 2020	25,784.86	20.91	4,061.71	(3,641.96)	(24.40)	26,201.14

As per our report of even date Attached
 For A. K. Dubey & Co.,
 Chartered Accountants
 (ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey
 Partner
 (Membership No.: 057141)
 UDIN:

Place : Kolkata
 Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta
 Managing Director
 DIN:- 01722395

Ashish Kumar Bagri
 Chief Financial Officer

Alok Perti
 Director
 DIN: 00475747

Gautam
 Company Secretary
 Mem. No:- ACS 30581

Notes to the Consolidated Financial Statements for the year ended March 31, 2020

1 Overview

Shalimar Paints Limited (“the Company” or “the Parent Company”) is a public limited company domiciled in India. 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.

2 Basis of preparation of consolidated financial statements

The consolidated financial statements comprises the financials statements of Shalimar Paints Limited (the Company or Parent Company) and its subsidiaries Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coating Private Limited (hereinafter collectively referred to as “Shalimar Group”).

These consolidated financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (‘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 to the extent applicable. 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.

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company i.e. its subsidiaries. Control is achieved when the Company is exposed to, or has rights to the variable returns of the entity and the ability to affect those returns through its power over the entity. Significant influence, is achieved when the Company has power to participate in the financial and operating policy decisions of the investee, but is not in control or joint control over those policies. The Accounting Policies of the parent company and its subsidiaries are largely similar. The Financial Statements of parent Company and its subsidiaries have been consolidated on line-by-line basis by adding together book value of like items of assets, liabilities, income and expenses after eliminating Intra-group transactions, balances, income and expenses in accordance with Ind AS 110 “Consolidated Financial Statement”. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with Parent company’s financial statements.

3 Key Accounting Judgements, Estimates & Assumptions:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures at the date of the financial statements. The judgments, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

Income Tax

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets/ liabilities. The factors used in the estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in the consolidated financial statements.

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 future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to 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.

Fair value measurement of Financial Instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow (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. Judgments 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.

Contingencies

Management judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/ claim/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

Property, plant and equipment

Property, Plant and Equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset’s expected useful life and the expected residual value at the end of its life. The residual values of Company’s assets are determined by the management at the time the asset is acquired and reviewed periodically.

Notes to Consolidated Financial Statements (Contd.)

4 Significant Accounting Policies

4.1) Basis of measurement

The 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 at fair value:

- Property, Plant & Equipment ;
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

The financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

4.2) Property, plant and equipment

i) Recognition and measurement

An asset is recognised as property, plant and equipment when it qualifies the recognition criteria as specified in Ind AS 16. Following initial recognition, items of Property, Plant and Equipment are carried at its cost, net of available duty/tax credits, less accumulated depreciation and accumulated impairment losses, if any. Costs include costs of acquisitions or constructions including incidental expenses thereto, borrowing costs, and other attributable costs of bringing the asset to its working condition for its intended use.

Subsequent expenditure relating to Property, Plant and Equipment is capitalized only when it is probable that future economic benefits associated with these will flow to the Company and the cost of the item can be measured reliably. Costs in nature of minor repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

The carrying amount of an item of property, plant and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from discard/sale of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded / sold.

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.

ii) 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 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:

Depreciation is charged on fair valued amount less estimated salvage value. Leasehold land is amortized on a straight line basis over the remaining period of lease.

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.

4.3) Intangible assets

i) Recognition & measurement :

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 amortization and accumulated impairment loss, if any.

Amortization:

Intangible Assets with finite lives are amortized over the estimated useful economic life on straight line method. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Computer Software	6 years
Trade mark	10 years
Technical know how	10 years

The amortization period and the amortization method for an intangible asset with finite useful life is 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.

ii) Derecognition:

The carrying amount of an intangible asset is derecognized 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 Statement of Profit and Loss when the asset is derecognized.

Notes to Consolidated Financial Statements (Contd.)

4.4) Impairment

The carrying amount of Property, Plant & Equipment, Intangible assets and cash generating assets are reviewed at each Balance Sheet date to assess impairment, if any, based on internal / external factors. If recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized as an expense in the Statement of Profit & Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed, if there has been an improvement in recoverable amount.

4.5) Lease Accounting

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that is not explicitly specified in an arrangement.

4.6) 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.

i) Initial recognition

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not at fair value through profit or loss, are added/deducted respectively to the fair value on initial recognition. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

ii) Subsequent measurement

(i) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. When the financial asset is derecognised or impaired, the gain or loss is recognised in the statement of profit and loss.

(ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income (OCI) if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Movements in the carrying amount are recognised in OCI except the recognition of impairment gains or losses, interest revenue calculated using the Effective Interest Rate (EIR) method and foreign exchange gains and losses which are recognised in profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in Other Comprehensive Income is reclassified from the equity to Statement of Profit and Loss.

(iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Therefore, they are subsequently measured at each reporting date at fair value, with all fair value movements recognised in the Statement of Profit and Loss.

(iv) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest rate method. Financial liabilities at fair value through profit and loss (FVTPL) includes financial liability held for trading and financial liability designated upon initial recognition as at fair value through profit and loss.

(v) Investment in subsidiaries

Investment in subsidiaries is carried at cost less impairment, if any, in the separate financial statements.

iii) Impairment of financial assets

Financial assets, other than debt instruments measured at FVTPL and Equity instruments are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on all financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

Notes to Consolidated Financial Statements (Contd.)

iv) Derecognition

Financial Assets

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

Financial liabilities

The company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expires.

v) Reclassification of Financial Assets and Financial Liabilities

The company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

vi) Derivative financial instruments

Derivative instruments such as forward currency contracts are used to hedge foreign currency risks, and are initially recognized at their fair values on the date on which a derivative contract is entered into and are subsequently re-measured at fair value on each reporting date. A hedge of foreign currency risk of a firm commitment is accounted for as a fair value hedge. Any gains or losses arising from changes in the fair value of derivatives are taken directly to Statement of Profit and Loss.

vii) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

4.7) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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 in which they fall.

4.8) Inventory

Inventory are valued at lower of cost, computed on weighted average basis, or net realizable value. Cost of inventories includes in case of raw material, cost of purchase including taxes and duties net of tax credits/GST and incidental expenses; in case of work-in-progress, estimated direct cost including taxes and duties net of tax credits/GST and appropriate proportion of administrative and other overheads; in case of finished goods, estimated direct cost including taxes and duties net of tax credits/GST and appropriate administrative and other overheads including other cost incurred in bringing the inventories to the present location and conditions; and in case of traded goods, cost of purchase and other costs incurred in bringing the inventories to the present location and conditions.

The obsolete/damaged items of inventories are valued at estimated realisable value.

4.9) Provisions, Contingent Liabilities and Contingent Assets

A provision is recognised if, as a result of a past event, the Company has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects, when appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent Liability is disclosed after careful evaluation of facts, uncertainties and possibility of reimbursement, unless the possibility of an outflow of resources embodying economic benefits is remote or the amount cannot be estimated reliably. Contingent liabilities are not recognised but are disclosed in notes. Contingent assets are not recognized but disclosed in the financial statements when an inflow of economic benefits is probable.

Notes to Consolidated Financial Statements (Contd.)

4.10) Revenue Recognition

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and rebates granted by the Company.

Revenue includes only the gross inflows of economic benefits, received and receivable by the Company, on its own account. Amounts collected on behalf of third parties (for example, indirect taxes) are excluded from revenue.

4.11) Other Income

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income is recognised when the Company's right to receive dividend is established, and is included in other income in the statement of profit and loss.

4.12) Employee Benefits

i) Short term employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related services are rendered. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

ii) The Company makes regular contribution to provident funds which are administered by Government and are independent of Company's finance. The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.

iii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The gratuity fund is administered by the Trustees.

For Schemes where recognized funds have been set up, annual contributions are made as determined using the Projected Unit Credit method with actuarial valuations being carried out at each reporting date. Remeasurements comprising actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged / credited to Other Comprehensive Income in period in which they arise. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

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

4.13) Foreign Exchange Transactions

Initial Recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are initially recorded in the functional currency (i.e. Indian Rupees) at rates prevailing at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates and the resulting exchange difference recognised in statement of profit & loss. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is measured. Exchange component of the gain or loss arising on fair valuation of non-monetary items is recognised in line with the gain or loss of the item that gave rise to such exchange difference.

4.14) 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 takes 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.

4.15) Taxes on Income

Tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in Other Comprehensive Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred tax is provided on temporary difference arising between the tax bases of assets & liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax is measured using the tax rate that are expected to apply in the year when the asset is realized or the liability is settled based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax asset is recognized to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and the carry forward unused tax credits and unused tax losses can be utilized. 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 utilized.

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.

4.16) **Segment Reporting**

The company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints & allied products.

4.17) **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.

4.18) **Lease**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low- value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use Assets (ROU Assets)

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

4.19) **Share-based payment transactions**

Equity-settled share-based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date 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 instruments that will eventually vest, with a corresponding increase in equity.

4.20) **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.

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

5.1 PROPERTY, PLANT & EQUIPMENT

Particulars	Land- Free hold	Land- Lease hold	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Total
Gross carrying value								
As at March 31, 2018	12,369.01	1,690.95	8,321.92	3,486.29	114.85	29.51	178.84	26,191.37
Additions			60.39	233.11	7.89	37.60	36.86	375.85
Disposals/Adjustment			(56.00)			(24.77)	(0.24)	(81.01)
As at March 31, 2019	12,369.01	1,690.95	8,326.31	3,719.40	122.74	42.34	215.46	26,486.20
Additions			2,491.34	2,916.27	27.90	19.22	74.65	5,529.36
Disposals/Adjustment	(0.00)		(0.02)		(0.04)	(0.01)	(0.59)	(0.65)
As at March 31, 2020	12,369.01	1,690.95	10,817.63	6,635.66	150.59	61.56	289.52	32,014.94
Depreciation								
As at March 31, 2018		51.24	633.27	589.33	53.50	8.13	70.13	1,405.60
Depreciation for the year 18-19		25.62	377.49	335.08	16.33	3.72	42.77	801.01
Disposals/Adjustment			(7.38)			(9.99)		(17.37)
As at March 31, 2019	-	76.86	1,003.38	924.41	69.83	1.86	112.90	2,189.24
Depreciation for the year 19-20		32.62	385.30	509.26	12.54	8.08	45.78	993.57
Disposals/Adjustment		-	(0.02)	-	(0.04)	(0.01)	(0.59)	(0.65)
As at March 31, 2020	-	109.48	1,388.66	1,433.67	82.33	9.94	158.09	3,182.16
Net carrying value								
As at March 31, 2018	12,369.01	1,639.71	7,688.64	2,896.96	61.35	21.39	108.71	24,785.78
As at March 31, 2019	12,369.01	1,614.09	7,322.93	2,794.99	52.91	40.48	102.56	24,296.96
As at March 31, 2020	12,369.01	1,581.48	9,428.97	5,202.00	68.27	51.62	131.43	28,832.78

5.2 Right-of-use-assets

Gross carrying value

As at March 31, 2019	168.21
Additions	-
Disposals/Adjustment	-
As at March 31, 2020	168.21

Depreciation

As at March 31, 2019	28.46
Depreciation for the year 19-20	55.64
Disposals/Adjustment	-
As at March 31, 2020	84.10

Net carrying value

Balance as at March 31, 2020	84.10
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6. CAPITAL WORK IN PROGRESS

Balance as at March 31, 2018	66.70
Balance as at March 31, 2019	2,358.34
Balance as at March 31, 2020	10.05

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

7. INTANGIBLE ASSETS

Particulars	Computer Software	Technical Know How	Trade Mark	Total
Gross carrying value				
Balance as at March 31, 2018	186.70	68.47	49.78	304.95
Additions	6.05			6.05
Disposals				-
Balance as at March 31, 2019	192.75	68.47	49.78	311.00
Additions	451.96			451.96
Disposals/Adjustment	-0.00	-0.00	0.00	-0.00
Balance as at March 31, 2020	644.71	68.47	49.78	762.96
Amortization				
Balance as at March 31, 2018	93.70	12.95	23.25	129.90
Additions	36.29	4.58	7.16	48.03
Disposals				-
Balance as at March 31, 2019	129.99	17.53	30.41	177.93
Additions	28.37	2.53	6.04	36.95
Disposals/Adjustment				-
Balance as at March 31, 2020	158.36	20.06	36.45	214.88
Net Carrying Value				
Balance at March 31, 2018	93.00	55.52	26.53	175.05
Balance at March 31, 2019	62.76	50.94	19.37	133.07
Balance at March 31, 2020	486.35	48.41	13.33	548.08

8. INVESTMENTS (NON-CURRENT)

Particulars	As at Mar 31, 2020		As at March 31, 2019	
	No. of Shares/units	Amount	No. of Shares/units	Amount
8.1 Investment in Debentures carried at Amortised Cost				
Unquoted				
(i) 1/2% Woodland Medical Centre Ltd.		0.06		0.06
(ii) 5% Woodland Medical Centre Ltd.		0.17		0.17
Total		0.23		0.23
Aggregate amount of quoted investments		-		-
Market value of quoted investments		-		-
Aggregate amount of unquoted investments		0.23		0.23
Aggregate amount of impairment in value of investments		-		-

9. LOANS- NON CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
(Unsecured, considered good)		
Security Deposits	165.69	190.79
TOTAL	165.69	190.79

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

10. OTHER FINANCIAL ASSETS- NON CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
(Unsecured, considered good)		
Bank Balance (Maturity period more than 12 months)	-	31.14
TOTAL	-	31.14

11. DEFERRED TAX ASSETS/ (LIABILITIES) (NET)

Particulars	As at 31-03-2020	As at 31-03-2019
Deferred tax assets/ liabilities are attributable to the following items;		
Deferred Tax Assets		
-Carry Forward Losses/Unabsorbed depreciation	6,680.88	4,742.41
-Disallowance under section 43B	246.03	234.60
-Provision for doubtful debt and advances	1,046.53	761.65
-Remeasurements of the defined benefit plans	-	26.05
Sub- Total (a)	7,973.44	5,764.71
Deferred Tax Liabilities		
-Fixed assets	3,370.14	2,959.79
-Others		
-Fair valuation of investment	5.30	4.14
- Remeasurements of the defined benefit plans	6.60	-
Sub- Total (b)	3,382.04	2,963.93
Less: MAT Credit Available		
Net Deferred Tax Assets/ (Liability) (a)+(b)	4,591.40	2,800.78

12. OTHER NON CURRENT ASSETS

Particulars	As at 31-03-2020	As at 31-03-2019
Capital Advances	16.62	437.63
TOTAL	16.62	437.63

13. INVENTORIES

Particulars	As at 31-03-2020	As at 31-03-2019
Raw Material		
Inventories-RM	2,108.81	1,808.28
Goods in Transit-RM	-	25.45
Work- in -Progress	322.76	287.15
Finished Goods		
Inventories-FG*	5,835.29	4,692.33
Goods in Transit-FG	164.25	223.03
Stores & spares	230.41	99.50
TOTAL	8,661.52	7,135.74

*including trading goods ₹ 328.94 lakh (P.Y ₹ 406.77 lakh)

Inventory valuation has been confirmed by IBBI registered valuer recognised under Companies Act 2013.

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

14. TRADE RECEIVABLES

Particulars	As at 31-03-2020	As at 31-03-2019
Unsecured		
-Considered Good	7,150.08	9,901.46
-Considered Doubtful	3,354.28	2,441.20
	10,504.36	12,342.66
Less: Provision for bad and doubtful receivable [refer note 47(ii)]	(3,354.28)	(2,441.20)
TOTAL	7,150.08	9,901.46

Trade Receivables has been confirmed by IBBI registered valuer recognised under Companies Act 2013.

15.1 CASH AND CASH EQUIVALENT

Particulars	As at 31-03-2020	As at 31-03-2019
-Balance with banks		
On Current Accounts	37.31	5,516.95
-Cash on hand	0.18	4.12
-Cheque, drafts on hand	-	-
Fixed Deposit for right issue*	-	2,892.84
Bank deposits with maturity of less than 3 months	243.40	162.39
TOTAL	280.89	8,576.30

15.2 Bank Balance other than Cash and Cash Equivalents

Unpaid dividend	-	5.40
Margin Money	0.82	1.08
Fixed Deposit Account	176.33	518.09
TOTAL	177.15	524.57

* Fixed deposit has been made for the unutilised amount of right issue related to Capital Expenditure.

16. OTHER FINANCIAL ASSETS- CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Other Receivables (refer note no 53)	832.11	891.59
Security Deposits	-	108.84
Interest accrued	14.16	57.33
TOTAL	846.27	1,057.76

17. CURRENT TAX ASSETS/(LIABILITIES) (NET)

Particulars	As at 31-03-2020	As at 31-03-2019
Advance Income Tax	2,823.10	2,814.99
Less: Provision for Income Tax	2,531.50	2,531.50
TOTAL	291.60	283.49

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

18. OTHER CURRENT ASSETS

Particulars	As at 31-03-2020	As at 31-03-2019
Advances other than capital advances		
Advances to suppliers	650.68	315.86
Advances to Others	-	3.96
Others		
Advance to employee	66.02	17.90
Prepaid expenses	233.75	195.23
Balance With Govt. Authorities & Others	1,000.77	1,016.73
TOTAL	1,951.22	1,549.68

19. EQUITY SHARE CAPITAL

Particulars	As at 31-03-2020	As at 31-03-2019
Authorised		
10,00,00,000 (31 st March, 2019: 10,00,00,000) equity shares of ₹ 2/- each	2,000.00	2,000.00
Issued, subscribed and fully paid up		
5,43,00,259 (31 st March, 2019: 5,36,41,387) equity shares of ₹ 2/- each	1,086.01	1,072.83
Share Forfeiture Account	0.01	0.01
	1,086.02	1,072.84

Notes:

(i) **Reconciliation of number of shares and share capital outstanding at the beginning and end of the year -**

Particular	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	5,36,41,387	1,072.83	1,89,45,975	378.92
Add: Right issue	-	-	3,46,95,412	693.91
Add: Preferential Allotment	6,58,872	13.18	-	-
Number of shares at the end	5,43,00,259	1,086.01	5,36,41,387	1,072.83

(ii) **Rights, preferences and restrictions attached to shares**

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

(iii) On 8th April 2019, Company has made preferential allotment of 6,58,872 equity shares of face value ₹ 2/- each at the price of ₹ 86.56/- per share (including premium of ₹ 84.56/- per shares) aggregating to ₹ 570 lakh to the Hind Strategic Investments by converting its ECB loan of US\$ 8 Lakh pursuant to members approval through Postal ballot dated 16.03.2019.

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

(iv) Proceeds from the second right issue have been utilised in the following manner -

Particulars	Proposed to be utilised	Proposed to be utilised (Revised)*	Utilised During FY 2018-19	Utilised During FY 2019-20	To be utilised
Project of Reinstatement of paint manufacturing plant at Nashik	4,568.43	4,492.08	2,035.22	2,210.46	246.40
Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	40.00	-	40.00	-
Long Term Working Capital Requirements	11,737.50	12,113.85	8,709.15	3,404.70	-
General Corporate purposes	3,415.07	3,415.07	1,136.57	2,278.50	-
Expenses for right issue	26.27	26.27	26.27	-	0.00
Total	20,087.27	20,087.27	11,907.21	7,933.66	246.40

*There is increase in the allocation of funds towards Long Term Working Capital Requirement, and the same has been allocated through reduction in Nashik project (including RDC) cost.

(v) Details of shareholders holding more than 5% shares in the Company

Name of Shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% of shares held	Number of shares	% of shares held
Virtuous Tradecorp Pvt. Ltd.	1,33,54,462	24.59%	1,33,54,462	24.90%
Hind Strategic Investments	65,00,442	11.97%	58,41,570	10.89%
Veera Gupta	46,82,952	8.62%	46,82,952	8.73%

The Company does not have any holding / ultimate holding Company.

20. Other equity

Particulars	Reserves & Surplus				Other Comprehensive Income	Total
	Securities Premium Reserve	Share Options Outstanding	General Reserve	Retained earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at March 31, 2018	961.10	28.73	4,061.71	8,354.02	18.48	13,424.01
-Profit or Loss for the year				(8,173.97)		(8,173.97)
-Other comprehensive income for the year					(57.43)	(57.43)
-Movement during the year	24,366.67	(6.26)				24,360.41
-Right issue expenses	(100.05)					(100.05)
Balance as at March 31, 2019	25,227.72	22.47	4,061.71	180.05	(38.95)	29,452.95
-Profit or Loss for the year				(3,818.44)		(3,818.44)
-Other comprehensive income for the year					14.56	14.56
-Addition during the year	557.14	(1.56)				555.60
-Movement during the year				(3.57)		(3.57)
Balance as at Mar 31, 2020	25,784.86	20.91	4,061.71	(3,641.96)	(24.40)	26,201.14

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)



21. NON-CURRENT BORROWINGS

Particulars	As at 31-03-2020	As at 31-03-2019
Secured		
Term Loans :		
- from Financial Institutions	1,971.12	1,969.85
- from others (vehicle loan)	35.64	31.79
	2,006.76	2,001.64
Less: Current Maturity of Long term Debt (refer note 27)	186.47	192.54
	1,820.29	1,809.10
Unsecured		
- from related party in foreign currency *	-	553.37
	-	553.37
Less: Current Maturity of Long term Debt (refer note 27)	-	553.37
	-	-
TOTAL	1,820.29	1,809.10

*The shareholders of the Company after requisite approval from Reserve Bank of India and other competent authorities, have approved conversion of unsecured ECB loan of USD 8,00,000 from Hind Strategic Investments (Promoter Company) into equity shares by way of preferential allotment; and the Allotment Committee of the Company have allotted on 08th April, 2019 - 6,58,872 Equity shares of ₹ 2 each at a premium of ₹ 84.56 as fully paid in discharge of ECB loan.

SECURITY (In relation to existing borrowings)

(i) Term Loan from financial institutions

Loan of ₹ Nil lakh (March 31, 2019 ₹ 352.81 lakh) taken from India Bulls Housing Finance Limited @17% p.a., repayable in 91 monthly installments starting from 05.05.2016 and ending on 05.11.2023, which was secured by first charge on Company's immovable property situated at 5th Floor, C wing, Oberoi Garden Estate, Chandivalli Farm Road, Chandivalli, Andheri (East), Mumbai-400072 was paid in full on 28.06.2019

Loan of ₹ 1485.98 lakh (March 31, 2019 ₹ 1617.04 lakh) taken from Religare Finvest Limited @ 14% p.a., repayable in 129 monthly installments starting from 01.02.2016 and ending on 01.10.2026, are secured by First charge on Company's immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Dist- Bulandshahar (U.P).

Loan of ₹ 485.14 lakh (March 31, 2019 ₹ Nil) taken from Aditya Birla Finance Limited @ 12.95% p.a., repayable in 120 monthly instalments starting from 15.09.2019 and ending on 15.08.2029, are secured by first charge on Company's immovable property situated at 5th Floor, C wing, Oberoi Garden Estate, Chandivalli Farm Road, Chandivalli, Andheri (East), Mumbai-400072

(ii) Vehicle Loan (Secured by Vehicle financed)

Loans of ₹ 26.34 lakh (March 31, 2019 ₹ 31.79 lakh), taken from Toyota Financial Service India Ltd. @ 9.50% p.a. are repayable in 60 monthly installments starting from 20.02.2019 and ending on 20.01.2024.

Loans of ₹ 9.30 lakh, taken from Toyota Financial Service India Ltd. @ 8.90% p.a. are repayable in 60 monthly installments starting from 10.02.2020 and ending on 10.01.2025.

22. Lease Liabilities

Particulars	As at 31-03-2020	As at 31-03-2019
Lease Liabilities	92.25	146.80
TOTAL	92.25	146.80

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

23. OTHER FINANCIAL LIABILITIES- NON CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Security Deposit		
-From others	143.81	110.21
TOTAL	143.81	110.21

24. PROVISIONS- NON CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
-Gratuity (refer note 45)	272.03	257.98
-Leave encashment (refer note 45)	40.96	44.57
Provision Others	300.00	300.00
TOTAL	612.99	602.55

25. CURRENT BORROWINGS

Particulars	As at 31-03-2020	As at 31-03-2019
Secured		
Loans Repayable on Demand		
From Banks (Cash Credit and WCDL)	8,411.75	10,391.11
Unsecured		
Loans Repayable on Demand		
Bill Discounting	1,657.84	2,291.46
TOTAL	10,069.59	12,682.57

Cash Credit and WCDL from Banks

Primary Security

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

Collateral Security

- (i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik, Maharashtra;
- (ii) first charge, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal;
- (iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh;
- (iv) second charge, ranking pari passu, on the fixed assets of the Company situated at village -Chinnapuliur, Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu.

Rate of interest for current borrowings ranges from 9.80% p.a. to 14.45% p.a.

26. TRADE PAYABLES

Particulars	As at 31-03-2020	As at 31-03-2019
Due to Micro, small and medium enterprises (refer note 44)	642.64	1,065.87
Due to others*	8,967.74	8,697.85
Acceptances	1,908.93	1,773.98
Due to Others	1,304.68	676.41
Payable- RM, PM & GRIR	5,754.14	6,247.46
TOTAL	9,610.38	9,763.72

*Includes interest payable to MSME amounting to ₹ 210.52 (Previous year ₹ 193.65 Lakh).

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

27. OTHER FINANCIAL LIABILITIES- CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Current maturities of long-term debt (refer note 21)	186.47	745.91
Interest Accrued and Due	84.03	44.20
Unpaid Dividend	-	5.40
Creditors for Capital expenditure	159.00	227.18
Others		
Employee's Payables	392.48	363.46
Others (Operating expenses)	2,192.87	1,575.54
TOTAL	3,014.85	2,961.69

* There are no outstanding dues to be paid to Investor Education & Protection Fund.

28. OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2020	As at 31-03-2019
Statutory dues	508.07	364.59
TOTAL	508.07	364.59

29. PROVISIONS-CURRENT

Particulars	As at 31-03-2020	As at 31-03-2019
Provision for employee benefits		
-Gratuity (refer note 45)	395.09	407.11
-Provision for Leave Benefit (refer note 45)	53.20	46.13
TOTAL	448.29	453.24

30. REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Sale of products		
Finished Goods	37,236.97	31,640.18
Sale of Services	805.83	401.31
	38,042.80	32,041.49
Less: Rebates & Trade Discounts	(3,797.80)	(3,357.82)
	34,245.00	28,683.67
b) Other operating Revenues		
Scrap Sales	140.02	78.32
	140.02	78.32
TOTAL	34,385.02	28,761.99

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

31. OTHER INCOME

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income		
-Bank Deposits	52.40	157.10
-Others	13.35	1.67
Profit on sale/Fair value of investments	-	0.00
Other Non-Operating Income		
-Foreign exchange gain	(31.49)	12.95
-Miscellaneous Receipts	78.54	31.48
TOTAL	112.80	203.20

32. COST OF MATERIALS CONSUMED

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Cost of Material Consumed	21,857.82	19,393.22
TOTAL	21,857.82	19,393.22

33. PURCHASE OF STOCK-IN-TRADE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Purchase of stock in trade	2,489.89	1,931.23
TOTAL	2,489.89	1,931.23

34. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK-IN-TRADE AND WORK-IN-PROGRESS

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Closing Stock		
Work in progress	322.76	287.15
Finished Goods	5,999.55	4,915.36
	6,322.31	5,202.51
Opening Stock		
Work in progress	287.15	213.45
Finished Goods	4,915.36	5,720.64
	5,202.51	5,934.09
(Increase)/ Decrease in Inventory	(1,119.80)	731.58

35. EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages*	4,415.66	3,766.95
Contribution to provident & other funds	234.14	208.10
Expense/(reversal) on Employee Stock Option Scheme	(1.56)	(5.66)
Staff Welfare Expenses	219.42	231.12
TOTAL	4,867.66	4,200.51

*Current year expenditure includes ₹ 269.25 lakh (P.Y. ₹ 182.38 lakh) incurred on research & development activities.

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

36. FINANCE COST

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest Expenses		
On Working Capital & Term loan	1,732.75	2,184.77
Foreign exchange (gain) / loss	-	33.02
Other Borrowing Costs	236.88	276.58
Interest on Lease Assets	15.62	10.49
TOTAL	1,985.25	2,504.86

37. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation on Property, Plant & Equipment	1,048.72	829.46
Amortisation on Intangible Assets	36.68	48.04
TOTAL	1,085.40	877.50

38. OTHER EXPENSES

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores and spare parts	126.32	80.58
Power and fuel	425.57	376.73
Rent	302.48	433.11
Repairs to building	5.46	2.30
Repairs to plant and machinery	93.89	82.03
Repairs - others	193.78	199.09
Insurance	182.41	144.14
Rates and taxes	107.22	40.29
Printing and stationery	31.51	29.54
Communication expenses	79.42	69.96
Directors' fees	8.50	8.10
Payment to Auditors	16.57	17.26
C&F Charges	48.64	61.90
Travelling expenses	640.11	573.48
Application Charges	502.32	265.10
Freight	2,541.45	2,313.85
Loss on sale/transfer of PPE	0.04	20.99
Provision for Bad & Doubtful Debt	2,654.25	2,441.20
Miscellaneous Expenses*	1,682.23	1,516.68
TOTAL	9,642.16	8,676.33

*including expenditure on research & development activities, incurred during the year is ₹ 54.32 lakh (previous year ₹ 23.40 lakh).

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

	Year ended March 31, 2020	Year ended March 31, 2019
Payment to Auditors		
Audit Fee	7.39	7.39
Certification fee and other Services	4.85	3.60
Reimbursement of expenses	2.83	4.77
TOTAL	15.07	15.76
Payment to Tax Auditors		
Tax Audit Fees	1.50	1.50
TOTAL	1.50	1.50

39. Exceptional Items

39.1. Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Provision for insurance claim recoverable	-	412.39
Disposable Inventories, as scrap	-	1,155.38
Provision for Custom duty (advance license)	106.51	-
Excise Duty paid/written off	88.57	-
Other balances written-off*	509.87	-
TOTAL	704.95	1,567.77

*Other balances written off comprises- (i) Sales/CST/VAT deposits written off - ₹ 384.10 lakh (on assessments completed- as certified by management), under relevant Acts (ii) Irrecoverable Other deposits written off - ₹ 84.22 lakh (iii) Unrealisable Receivables written off - ₹ 41.55 lakh, net of credit balance of ₹ 171.77 Lakh.

39.2 Incomes

Insurance Claim Recovered (Refer Note No. 54)	1,399.85	-
TOTAL	1,399.85	-

40. Tax Expenses

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
a) Income tax recognized in profit or loss		
Current tax expense		
Current year	-	-
Deferred tax expense/(income)		
Origination and reversal of temporary differences	(1,797.22)	(2,740.27)
	(1,797.22)	(2,740.27)

41 OTHER COMPREHENSIVE INCOME

(i) Items that will not be reclassified to profit or loss (refer note 45)

Remeasurements of the defined benefit plans	21.16	(83.48)
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(ii) Income tax relating to items that will not be reclassified to profit or loss

Related to Remeasurements of defined benefit plans	6.60	(26.05)
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Notes to Consolidated Financial Statements (Contd.)



42. EARNING PER SHARE

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a) Net profit/ (loss) as attributable for equity shareholders	(3,818.44)	(8,177.54)
(b) Weighted average number of equity shares (Nos.)	5,43,00,259	5,36,41,387
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	21,375	22,875
(d) Weighted average number of Equity shares in computing diluted earning per share	5,43,21,634	5,36,64,262
Basic Earnings per Share	(7.03)	(15.24)
Diluted Earnings per Share*	(7.03)	(15.24)

*Effect being antidilutive, hence ignored.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effects of potential dilutive equity.

43. A. Contingent Liabilities and claims against the Company

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Contingent liabilities, to the extent not provided for in respect of:		
a. Guarantees, Undertakings & Letter of Credit		
Guarantees issued by the Company's Bankers on behalf of the Company	343.78	267.42
Letter of Credit	2,783.35	2,496.22
b. Demands		
Excise Duty	461.07	837.61
Custom Duty	-	54.00
Sales Tax (excluding liability on account of C/F/Other forms) The management is of the opinion that these forms will be collected in due course, and no significant liability is expected in this respect)	1,851.94	1,677.78
Income Tax	67.50	221.44
Others	2,241.16	1,436.11

(i) It is not possible to predict the outcome of the pending litigations with accuracy, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The management believe the ending actions 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.

(ii) Under the Goods & Services Tax Act, 2017 (the Act), the Company's liability in respect of input credit of taxes availed by it but not paid by suppliers of goods & services as at the year end, is unascertained. The management is taking appropriate follow up measures with such suppliers to get the due taxes (claimed as input credit by the Company) paid by them before filing of annual return under the Act.

B. Commitments

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(i) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for, net of advances of ₹ 16.62 lakh (March 31, 2019 ₹ 437.69 lakh)	58.35	1469.49
(ii) Uncalled liability on partly paid up shares	40.50	40.50

Notes to Consolidated Financial Statements (Contd.)

44 THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT (MSMED) ACT, 2006

The information regarding Micro, Small and Medium enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	Year ended	
	March 31, 2020	March 31, 2019
a) Principal amount remaining unpaid to any supplier as on 31 st March	642.64	872.23
b) Interest due on above remaining unpaid to any supplier as on 31 st March	210.52	193.65
c) Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
d) *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	-	-
e) the amount of interest accrued and remaining unpaid (for the year)	16.87	99.56
f) 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 this Act.	-	-

Note:

- The above disclosure is given as per available information, to the extent ascertained, on principal outstanding dues as at the year end excluding the overdue amount settled/paid off during the year.
- * No provision of interest & payment thereof have been made on overdue principal amount settled/paid during the year. The amount of said interest is unascertained.
- Auditor has relied upon the information furnished in respect of above disclosures.

45. 'Employee Benefits', in accordance with Accounting Standard (Ind AS-19) :

The Company participates in defined contribution and benefit schemes, the assets of which are held (where funded) in separately administered funds. For defined contribution schemes the amount charged to the statements of profit or loss is the total of contributions payable in the year.

a) Defined Contribution Plans:-

The Company has recognised an expense of ₹ 60.13 lakh (Previous Year ₹ 150.53 lakh) towards the defined contribution plan.

b) Defined benefits obligation - as per actuarial valuation

Particulars	Year ended March 31, 2020		Year ended March 31, 2019	
	Gratuity	Leave	Gratuity	Leave
	Funded	Encashment Non-Funded	Funded	Encashment Non-Funded
I Change in present value of obligation during the year				
Present value of obligation at the beginning of the year	665.10	90.70	516.87	47.76
- Current Service Cost	31.16	6.06	27.44	9.46
- Past Service Cost	-	-	-	-
- Interest Cost	50.55	6.89	39.80	3.68
- Acquisition cost	-	-	-	-
Actuarial loss/(gains) on Obligation	(21.57)	20.81	83.68	42.67
Benefits Paid	(52.92)	(30.29)	(2.69)	(12.87)
Present Value of obligation as at year-end	672.31	94.17	665.10	90.70

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

II Change in Fair Value of Plan Assets during the year	Year ended March 31, 2020		Year ended March 31, 2019	
Plan assets at the beginning of the year	6.28	-	2.35	-
Investment Income	0.48	-	0.18	-
Employer's contribution	37.91		6.25	12.87
Benefits paid	(39.07)		(2.69)	(12.87)
Actuarial loss/(gains)	(0.41)		0.19	
Plan assets at the end of the year	5.19	-	6.28	-
III Reconciliation of Present value of Defined Benefit Obligation and Fair Value of Plan Assets				
1. Present Value of obligation as at year-end	672.31	94.17	665.10	90.70
2. Fair value of plan assets at year -end	5.19	-	6.28	-
3. Funded status {Surplus/(Deficit)}	(667.12)	(94.17)	(658.82)	(90.70)
IV Expenses recognised in the Statement of Profit and Loss				
1 Current Service Cost	31.16	6.06	27.44	9.46
2 Interest Cost	50.07	6.89	39.62	3.67
3 Past service Cost	-	-	-	-
4 Expected return on plan assets	-	-	-	-
5 Actuarial (Gain) / Loss	-	20.81	-	42.67
Total Expenses	81.23	33.76	67.06	55.80
V Expenses recognised in the Statement of Other Comprehensive Income				
1 Net Actuarial (Gain)/Loss	(21.16)	-	83.48	-
VI Division of DBO at the end of the year				
1 Current Liability	395.09	53.20	407.11	46.13
2 Non-Current Liability	277.22	40.96	257.98	44.57
VII Actuarial Assumptions				
1 Discount Rate	7.60%	7.60%	7.60%	7.60%
2 Mortality Table	As per IALM 2006-08 Ultimate			
3 Salary Escalation	2.00%	2.00%	2.00%	2.00%

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. The above information is certified by the actuary.

VIII Particulars	Actual Return on Plan Assets		Estimates of Contribution for next year	
	Year ended March 31, 2020	Year ended March 31, 2019	Year ended March 31, 2020	Year ended March 31, 2019
	Funded	Funded	Funded	Funded
1) Gratuity	(0.41)	0.19	-	-

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

IX	History of Experience Adjustment:	Year ended	Year ended	Year ended	Year ended	Year ended
		March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016
Gratuity						
	Present Value of obligation	672.31	665.10	516.87	439.04	436.95
	Fair value of Plan assets	5.19	6.28	2.35	0.73	17.58
	Net Asset/(Liability)	(667.13)	(658.82)	(514.52)	(438.31)	(419.37)
	Actuarial (Gain)/Loss on plan obligation	(21.57)	83.68	18.08	(46.25)	(1.64)
	Actuarial Gain/(Loss) on plan assets	(0.41)	0.19	(0.05)	(1.38)	(0.77)
Leave Encashment						
	Present Value of obligation	94.17	90.70	47.76	65.46	57.17
	Fair value of Plan assets	-	-	-	-	-
	Net Asset/(Liability)	(94.17)	(90.70)	(47.76)	(65.46)	(57.17)
	Actuarial (Gain)/Loss on plan obligation	20.81	42.67	(35.62)	4.08	1.98
	Actuarial Gain/(Loss) on plan assets	-	-	-	-	-
X	Sensitivity Analysis	Year ended March 31, 2020		Year ended March 31, 2019		
		Impact on liabilities		Impact on liabilities		
	Assumption	Changes in assumption	Increase	Decrease	Increase	Decrease
Gratuity						
	Discount rate	-/+1% movement	23.49	26.77	17.22	20.55
	Future salary growth	+/-1 % movement	27.94	24.84	22.32	18.85
Leave Encashment						
	Discount rate	-/+1% movement	7.75	9.00	3.26	4.02
	Future salary growth	+/-1 % movement	9.40	8.19	4.62	3.73
XI	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 follow -					
	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 expose the company to the risk of fall in interest rates. A fall 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/ cash equivalent 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 turing out to be worse compared to the assumptions.					
XII	The major catagories of plan assets for gratuity as a percentage of the fair value of total plan assets are as follows:					
	Particulars	March 31, 2020		March 31, 2019		
	Fund managed by Insurer	100.00%		100%		

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

46. CATEGORY-WISE CLASSIFICATION OF FINANCIAL INSTRUMENTS

Financial Assets

Particulars	Fair Value Hierarchy	As at March 31, 2020		As at March 31, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial assets designated at fair value through profit and loss					
a) Investment					
i) In Preference shares	Level-3	0.00	0.00	0.00	0.00
2. Financial assets designated at amortised cost					
a) Other bank balances		177.15	177.15	524.57	524.57
b) Cash & Cash Equivalents		280.89	280.89	8,576.30	8,576.30
c) Trade & Other receivables	Level-3	7,150.08	7,150.08	9,901.46	9,901.46
d) Loans	Level-3	165.69	165.69	190.79	190.79
e) Investment in Debentures	Level-3	0.23	0.23	0.23	0.23
f) Other Financial Assets	Level-3	846.27	846.27	1,088.90	1,088.90
3. Investment in subsidiary Companies					
		-0.00	-0.00	-0.00	-0.00

Financial Liabilities

Particulars	Fair Value Hierarchy	As at March 31, 2020		As at March 31, 2019	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1. Financial liabilities designated at amortised cost					
a) Borrowings	Level-3	12,076.35	12,076.35	15,237.58	15,237.58
b) Trade & Other Payables	Level-3	9,610.38	9,610.38	9,763.72	9,763.72
c) Other Financial Liability	Level-3	2,972.19	2,972.19	2,325.99	2,325.99

1. The fair value of financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

2. The carrying amount of financial assets and financial liabilities measured at amortised cost in the 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.

3. Financial assets & liabilities under fair value hierarchy (Level 1 & 2) - Nil.

Fair value hierarchy

Level 1 - Quoted prices/NAV (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

47. FINANCIAL RISK MANAGEMENT - OBJECTIVES AND POLICIES

The Company's financial liabilities comprise mainly of borrowings, trade payables and other payables. The Company's financial assets comprise mainly of investments, cash and cash equivalents, other balances with banks, loans, trade receivables and other receivables. The Company is exposed to Market risk, Credit risk and Liquidity risk. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk & interest rate risk. The Company calculates and compares the alternative sources of funding by including cost of currency cover also.

The following disclosures summarize the Company's exposure to financial risks. Quantitative sensitivity analyses have also been provided to reflect the impact of reasonably possible changes in market rates on the financial results, cash flows and financial position of the Company.

i. 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. These comprise three types of risk i.e. currency rate risk, interest rate risk and other price related risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

a) Foreign Currency Risk and sensitivity

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. Foreign exchange risk sensitivity analysis has been performed on the foreign currency exposures in the Company's financials assets and financials liabilities at the reporting date i.e. 31st March 2020, net of related foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary items (Unhedge) are as follows:

Particulars	As at 31 st March, 2020	As at 31 st March, 2019
Financial Assets		
Trade receivables	167.33	99.71
Financial liabilities		
Trade payables	289.89	71.25
Loan from related parties	-	553.37
Net assets / (liabilities)	457.22	724.33

Foreign Currency Sensitivity

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

5% increase and decrease in foreign exchanges rates will have the following impact on profit/(loss) before tax

Particulars	2019-20		2018-19	
	5% Increase	5% decrease	5% Increase	5% decrease
USD Sensitivity	22.86	(22.86)	36.22	(36.22)
Increases/ (decrease) in profit or loss	22.86	(22.86)	36.22	(36.22)

b. Interest Rate Risk and Sensitivity

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 31 st March, 2020		As at 31 st March, 2019		
	INR	Total	INR	USD	Total
Fixed Rate Borrowings	-	-	-	-	-
Variable Rate Borrowings	12,076.35	12,076.35	14,684.21	553.37	15,237.58
Total Borrowings	12,076.35	12,076.35	14,684.21	553.37	15,237.58

Sensitivity on variable rate borrowings

Particulars	Impact on Profit & (Loss) before tax	
	31-Mar-20	31-Mar-19
INR Borrowings		
Interest Rate Increase by 0.50%	(60.38)	(73.42)
Interest Rate decrease by 0.50%	60.38	73.42
USD Borrowings		
Interest Rate Increase by 0.25%	-	(1.38)
Interest Rate decrease by 0.25%	-	1.38

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

c. Commodity price risk and sensitivity

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.

ii. Credit Risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in India. Credit risk arising from trade receivable is managed in accordance with the Established Policy etc, procedures and control relating to customer credit risk management. The deposits with banks constitute mostly the liquid investment of the Company and are generally not exposed to credit risk.

For trade receivables, as 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. The provision matrix as at the end of the reporting period and expected credit loss for the year end against Trade receivables (Financial assets) as ascertained by the management and confirmed by the IBBI registered valuer are as follows:

Ageing	Expected credit loss (%)
Within the credit period	3.31
0-1 year	4.83
1-2 years	43.13
More than 2 years	100.00

Movement in expected credit loss allowance (net)

Particulars	Life time expected credit losses		12-months expected credit losses	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Balance at the beginning	1,843.56	-	597.64	-
Provision Reduced during the year	1,741.18	-	-	-
Additional provision created during the year	2,601.25	1,843.56	53.00	597.6
Balance at the end	2,703.63	1,843.56	650.64	597.64

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis. In general it is presumed that credit risk has significantly increased since initial recognition if legal action needs to be initiated against such trade receivables.

iii. Liquidity risk

Liquidity risk refers to risk of financial distress or high financing cost arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and require financing. The Company's objective is to maintain at all times optimum levels of liquidity to meet its cash and collateral requirements. Processes and policies related to such risk are reviewed by senior management and management monitors the Company's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2020:

Expected maturity for financial liabilities

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	12,076.35	8,411.75	1,844.31	1,820.28	12,076.35
Trade & Other payables	9,610.38	2,811.09	5,807.74	991.55	9,610.38
Other financial liabilities	2,972.19		2,828.39	143.81	2,972.20

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2019:

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	15,237.58	10,391.11	3,037.37	1,809.10	15,237.58
Trade & Other payables	9,763.72	1,550.64	7,394.57	818.52	9,763.72
Other financial liabilities	2,325.99		2,215.80	110.21	2,326.01

47.1 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 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 capital, as the case may be.

Particular	As at March 31, 2020	As at March 31, 2019
Borrowings	12,076.35	15,237.58
Less: cash and cash equivalents	280.89	8,576.30
Net debt	11,795.46	6,661.28
Total Equity	27,287.16	30,525.79
Capital and Net debt	39,082.61	37,187.07
Gearing Ratio	30%	18%

Note: Sensitivity analysis for risk management is based on management estimates.

48. Related Party Disclosure as per Ind AS 24

A. List of Related Party & Relationship

(a) Key Managerial person

1	Mr. Surender Kumar	Managing Director & CEO (Ceased to be director w.e.f. 11.08.2019)
2	Mr. Ashok Kumar Gupta	Managing Director (Appointed as MD w.e.f. 27.12.2019)
3	Mr. Sandeep Gupta	Chief Financial Officer (Ceased to be CFO w.e.f. 27.12.2019)
4	Mr. Nitin Gupta	Company Secretary (Ceased to be Company Secretary w.e.f. 28.05.2019)
5	Mr. Gautam	Company Secretary (Appointed as Company Secretary w.e.f. 12.08.2019)
6	Mr. Ashish Kumar Bagri	Chief Financial Officer (Appointed as CFO w.e.f. 27.12.2019)

(b) Relative of KMP

1	Mrs. Anita Gupta (Wife of Mr. Sandeep Gupta)
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(c) Other related parties

1	Virtuous Tradecorp Pvt. Ltd.	Substantial beneficial owner (SBO) in the company
2	Hind Strategic Investment	Substantial beneficial owner (SBO) in the company
3	Mr. Alok Perti	Non-Executive Director
4	Mr. Gautam Kanjilal	Non-Executive Director
5	Ms. Pushpa Chowdhary	Non-Executive Director (Ceased to be Director w.e.f. 28.05.2019)
6	Mr. Ashok Kumar Agarwal	Non-Executive Director (Appointed as Director w.e.f. 12.08.2019)
7	Mr. Sanjay Kumar Gupta	Non-Executive Director (Appointed as Director w.e.f. 27.12.2019)
8	Ms. Shruti Srivastava	Non-Executive Director (Appointed as Director w.e.f. 20.02.2020)
9	Ms. Urvi Jindal	Non-Executive Director (Appointed as Director w.e.f. 28.05.2019 & Ceased to be Director w.e.f. 09.11.2019)

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

B. Related Party Transaction

Particulars	Transaction during the year	
	FY 2019-20	FY 2018-19
Reimbursement of expenses incurred by Company		
Mr. Surender Kumar	0.01	0.20
Mr. Nitin Gupta	0.48	0.64
Mr. Sandeep Gupta	0.12	0.20
Mr. Ashok Kumar Gupta	0.96	-
Mr. Ashish Kumar Bagri	0.06	-
Mr. Gautam	0.15	-
Loans & Advances(Taken)		
Hind Strategic Investment	-	-
Interest on Loan		
Hind Strategic Investment	0.64	29.30
Conversion of ECB Loan		
Hind Strategic Investment	553.37	-
Directors Sitting Fees:		
Mr. Alok Perti	2.50	1.70
Mr. Gautam Knajilal	4.40	4.70
Ms. Pushpa Chowdhary	0.40	1.70
Mr. Ashok Kumar Agarwal	0.80	-
Mr. Sanjay Kumar Gupta	0.40	-
Vehicle hire charges		
Mrs. Anita Gupta (Wife of Mr. Sandeep Gupta)	-	2.16
Remuneration and other perquisites :-		
(a) short-term employee benefits;	193.73	209.00
(b) post-employment benefits;	(5.56)	2.66
(c) other long-term benefits;	2.30	0.29

Particulars	Outstanding Balances at the year ended	
	31 st March, 2020	31 st March, 2019
Salary Payable		
Mr. Surender Kumar	-	6.53
Mr. Sandeep Gupta	-	4.15
Mr. Nitin Gupta	-	0.78
Mr. Ashok Kumar Gupta	14.62	-
Mr. Ashish Kumar Bagri	2.57	-
Mr. Gautam	0.88	-
Interest Payable		
Hind Strategic Investment	-	2.66
Loans & Advances(Taken)		
Hind Strategic Investment	-	553.37

Compensation to Key Management Personnels

Particulars	Short-term employee benefits	
	FY 2019-20	FY 2018-19
Mr. Surender Kumar	38.85	117.33
Mr. Sandeep Gupta	62.95	81.05
Mr. Nitin Gupta	1.97	10.61
Mr. Ashok Kumar Gupta	65.86	-
Mr. Ashish Kumar Bagri	16.10	-
Mr. Gautam	8.00	-

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

49. SHARE BASED PAYMENTS

The Company provides share-based payment schemes to its employees. The relevant details of the scheme are as follows:

I. Option Movement during the year ended Mar 2020

Particulars	March 31, 2020		March 31, 2019	
	No. of options	Wt. avg exercise Price (in ₹)	No. of options	Wt. avg exercise Price (in ₹)
No. of Options Outstanding at the beginning of the year	22,875	92.08	30,875	97.19
Options Granted during the year				
Options Forfeited / Surrendered / Lapsed during the year	1,500	92.08	8,000	97.19
Options exercised during the year	-	-	-	-
Number of options Outstanding at the end of the year	21,375	90.73	22,875	92.08

II. Weighted Average remaining contractual life

Range of Exercise Price	March 31, 2020		March 31, 2019	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
43.80- 111.22	21,375	4.98	22,875	4.98

III. Weighted average Fair Value of Options granted during the year

Particulars	March 31, 2020	March 31, 2019
Exercise price is less than market price	97.84	98.23

IV. The weighted average market price of options exercised during the year ended March 31, 2020 is 135.33
The weighted average market price of options exercised during the year ended March 31, 2019 is 137.34

V. Method and Assumptions used to estimate the fair value of options granted during the year ended:
The fair value has been calculated using the Black Scholes Option Pricing model.
The Assumptions used in the model are as follows:

Variables	March 31, 2020	March 31, 2019
	Weighted Average	Weighted Average
1. Risk-free rate of return	8.15%	8.15%
2. Time to Maturity	-	0.32
3. Expected Volatility	69.57%	69.57%
4. Expected divided yield	-	-
5. Exercise Price (in ₹)	90.73	92.08
6. Price of the underlying share in market at the time of the option grant.(in ₹)	135.33	137.34

VI. Particulars	March 31, 2020	March 31, 2019
Employee Option plan expense	(1.56)	(5.66)
Total liability at the end of the period	20.91	22.47

50 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test for assets are monitored for internal management purposes, within the only operating segment i.e. Manufacture of paints. During the year the impairment testing did not result in any impairment in the carrying amount of assets, doubtful trade receivables as referred to in Note 47.

51 Segment information

The company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints & allied products.

52 Loan to related party (refer note 9) includes the balance consideration of ₹ 492 lakh (interest free) receivable by the Company in cash as per the order of Hon'ble High Courts of Calcutta and Delhi, for transfer of its Real Estate Division to the subsidiary Company, Shalimar Adhunik Nirman Limited.

Notes to Consolidated Financial Statements (Contd.)

(All amounts in ₹ lakh, unless otherwise stated)

- 53 Other receivable includes,
- (i) Fire insurance claim receivable ₹ 387.10 lakh (net of ₹ 1099.73 lakh received in earlier years) related to Nasik plant. The policy is on Reinstatement basis. The above claim of receivables are accounted for on estimated basis pending final assessment by the insurer.
 - (ii) ₹ 352.46 (net of ₹ 1122.35 lakh received during the year) in respect to Howrah Plant insurance claim. The total claim receivable against the inventory and fixed assets was ₹ 1474.81 lakh but in final settlement Insurance Company paid an amount of ₹ 1122.35 lakh. Company is not in agreement with the settlement amount and has filed an arbitration petition, and the arbitration proceedings are under progress.
- 54 The Company has claimed ₹ 32.90 crore in respect of Nasik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their interim report at ₹ 22.14 crore (loss of production method) & at ₹ 22.63 crore (Turnover method). Against the claim, the Company has received ₹ 14 crore (as interim payment) during the current financial year, and the same has been shown under the head Extraordinary items/ gain. The said claim has been accounted for, as a matter of prudence, on receipt basis.
- 55 Fixed assets and inventories, except the said damaged assets, have been verified & valued as per applicable accounting standards as well as existing accounting policies of the Company, with no material discrepancy.
- 56 Term Loan from financial institutions represent loan availed by Company for working capital for business needs.
- 57 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07/05/2009 requiring the Company to give immovable property to the extent of ₹ 4.5 Crores as a security in favour of Tara Properties (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of the land at Goaberia as a security.
- 58 Due to outbreak of pandemic COVID 19 globally and in India, the operations of the Company, were impacted, due to shutdown of all its plants and offices/depots following nationwide lockdown by the Government of India. The Company has resumed operations in a phased manner as per directives from the Government of India. The Company has evaluated impact of this pandemic on its business operations and financial position and based on its review of current indicators of future economic conditions, there is no significant impact on its financial statements as at 31st March 2020. The management does not see any medium and long term risks in the Company's ability to continue as going concern and meeting its liabilities as and when they fall due. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration, and accordingly the impact may be different from that estimated as at the date of approval of these financial statements.
- 59 Some of the Financials assets & liabilities including trade receivables, trade payables and advances, are pending for confirmation/ reconciliation, and impact of the same on financial statements, if any, is unascertained.
- 60 Previous year figures have been regrouped/rearranged/recast, whatever considered necessary to confirm to current year's classification.

As per our report of even date Attached

For A. K. Dubey & Co.,

Chartered Accountants

(ICAI Firm Registration No.: 329518E)

Arun Kumar Dubey

Partner

(Membership No.: 057141)

UDIN:

Place : Kolkata

Date : 30th June, 2020

For and on Behalf of Board of Directors

Ashok Kumar Gupta

Managing Director

DIN:- 01722395

Ashish Kumar Bagri

Chief Financial Officer

Alok Perti

Director

DIN: 00475747

Gautam

Company Secretary

Mem. No:- ACS 30581

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.



HAR RANG KHOOBSRAT



Registered & Corporate office

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