



Shalimar Paints Limited

Balance Sheet as at 31st March, 2006

	Schedule No.	As at 31st March 2006 Rs.	As at 31st March 2005 Rs.
I SOURCES OF FUNDS			
1. Shareholders' Funds			
a) Capital	1	37,856,735	37,856,735
b) Reserves and Surplus	2	245,511,651	228,430,557
2. Loan Funds			
a) Secured Loans	3	422,210,104	339,734,931
b) Unsecured Loans		82,642,396	86,389,902
Total		<u>788,220,886</u>	<u>692,412,125</u>
II APPLICATION OF FUNDS			
1. Fixed Assets			
a) Gross Block	4	479,584,918	446,300,337
b) Less : Depreciation		<u>266,688,206</u>	<u>237,254,727</u>
c) Net Block		212,896,712	209,045,610
d) Capital Work -in- Progress		-	154,624
2. Investments			
	5	23,500	23,501
3. Current Assets, Loans and Advances			
a) Inventory	6	497,189,643	514,601,793
b) Sundry Debtors	7	504,352,424	412,505,070
c) Cash and Bank Balances	8	89,570,034	82,358,144
d) Loans and Advances	9	102,563,393	55,676,354
		<u>1,193,675,494</u>	<u>1,065,141,361</u>
<i>Less : Current Liabilities and Provisions</i>			
a) Liabilities	10	584,991,039	556,506,185
b) Provisions	11	17,735,178	10,700,883
		<u>602,726,217</u>	<u>567,207,068</u>
Net Current Assets		<u>590,949,277</u>	<u>497,934,293</u>
4. Deferred Tax Liability (Net)			
(Refer note no. 19 of Schedule 19)		16,399,142	17,764,087
5. Miscellaneous Expenditure			
(To the extent not written off or adjusted)	12	750,539	3,018,184
Total		<u>788,220,886</u>	<u>692,412,125</u>
III NOTES ON ACCOUNTS	19		-

Schedules referred to above form an integral part of the Accounts

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

For CHATURVEDI & PARTNERS

Chartered Accountants

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Shalimar Paints Limited

Profit And Loss Account for year ended 31st March, 2006

	Schedule No.	For year ended 31st March 2006 Rs.	For year ended 31st March 2005 Rs.
INCOME			
Sales less returns		2,482,993,410	2,179,187,674
Other Income	13	16,974,918	11,332,126
Increase / (Decrease) in stocks	14	2,046,003	79,018,381
		<u>2,502,014,331</u>	<u>2,269,538,181</u>
EXPENDITURE			
Materials consumed	15	1,314,142,473	1,190,256,674
Purchase of Bought-in-items		65,252,984	64,391,011
Excise Duty		312,575,959	279,359,876
Employees' remuneration and other benefits	16	116,584,121	116,023,896
Discounts and Rebates		318,919,199	297,575,745
Manufacturing, administrative, selling and other expenses	17	266,435,780	242,739,811
Interest	18	29,195,807	17,755,933
		<u>2,423,106,323</u>	<u>2,208,102,946</u>
Profit before depreciation		78,908,008	61,435,235
Depreciation		27,497,064	25,289,871
Voluntary retirement scheme expenses amortised		1,364,043	5,456,173
Profit before tax		<u>50,046,901</u>	<u>30,689,191</u>
Provision for taxation			
- Current		15,100,000	7,311,245
- Fringe Benefit Tax		2,186,402	
- Deferred Tax liability/(asset)		(1,364,946)	3,542,265
PROFIT AFTER TAX		<u>34,125,445</u>	<u>19,835,681</u>
Balance brought forward		8,840,750	7,205,952
Profit available for Appropriations		<u>42,966,195</u>	<u>27,041,633</u>
APPROPRIATIONS			
Proposed Dividend		13,249,670	9,464,050
Tax on Proposed Dividend		1,858,266	1,236,833
Transferred to General Reserve		10,000,000	7,500,000
Balance carried forward to Balance Sheet		17,858,259	8,840,750
		<u>42,966,195</u>	<u>27,041,633</u>
Earnings per share - Basic and diluted (in Rupees)		9.01	5.24

NOTES ON ACCOUNTS

19

Schedules referred to above form an integral part of the Accounts

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

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Shalimar Paints Limited

Schedules forming part of the Accounts

	2005-2006 Rs.	2004-2005 Rs.
1. CAPITAL		
Authorised		
80,00,000 Equity Shares of Rs. 10 each	<u>80,000,000</u>	<u>80,000,000</u>
Issued and Subscribed		
37,85,620 Equity Shares of Rs. 10 each fully paid	<u>37,856,200</u>	<u>37,856,200</u>
Share Forfeiture Account	<u>535</u>	<u>535</u>
	<u>37,856,735</u>	<u>37,856,735</u>
Note : Of the above Equity Shares 12,60,840 shares were allotted as fully paid by way of Bonus Shares by capitalisation of reserves		
2. RESERVES AND SURPLUS		
General Reserve		
Balance as per Last Account	<u>83,156,367</u>	<u>75,656,367</u>
Transferred from/ (to) Profit and Loss Account	<u>10,000,000</u>	<u>7,500,000</u>
	<u>93,156,367</u>	<u>83,156,367</u>
Profit and Loss Account	<u>17,858,259</u>	<u>8,840,750</u>
Export Profit Reserve	<u>195,000</u>	<u>195,000</u>
Capital Reserve		
Subsidy from SICOM and against Generator Set	<u>3,119,000</u>	<u>3,119,000</u>
Debenture Forfeiture Account	<u>105,089</u>	<u>105,089</u>
	<u>3,224,089</u>	<u>3,224,089</u>
Fixed Asset Revaluation Reserve		
Balance as per last Account	<u>38,087,351</u>	<u>40,088,454</u>
Transfer from/(to) Profit & Loss Account	<u>(1,936,415)</u>	<u>(2,001,103)</u>
	<u>36,150,936</u>	<u>38,087,351</u>
Share Premium Account	<u>94,927,000</u>	<u>94,927,000</u>
	<u>-</u>	<u>-</u>
	<u>245,511,651</u>	<u>228,430,557</u>
3. LOAN FUNDS		
Secured Loans		
Term Loan	<u>44,455,376</u>	<u>-</u>
Overdrafts (including Working Capital Demand Loans)	<u>376,703,921</u>	<u>337,972,694</u>
Auto Loans	<u>1,050,807</u>	<u>1,762,237</u>
	<u>422,210,104</u>	<u>339,734,931</u>
Unsecured Loans		
Trade Deposits	<u>4,148,523</u>	<u>3,264,980</u>
Interest accrued and due	<u>157,792</u>	<u>248,839</u>
	<u>4,306,315</u>	<u>3,513,819</u>
Deferred Sales Tax	<u>78,336,081</u>	<u>82,876,083</u>
	<u>82,642,396</u>	<u>86,389,902</u>



Shalimar Paints Limited

Schedules forming part of the Accounts (Contd.)

4. FIXED ASSETS

(Figures in Rupees)

	Gross Block		On Assets sold/adjustments	Depreciation		Net Block	
	As at 1st April 2005	Additions during the year		Provision for the current year	Total as at 31st March 2006	Net written down value as at 31st March 2006	Net written down value as at 31st March 2005
Land	30,396,426	-	-	-	-	30,396,426	30,396,426
Buildings	118,325,701	6,183,914	-	6,783,836	45,125,504	79,384,111	79,984,033
Plant and machinery	184,259,080	10,845,455	-	10,855,167	146,299,564	47,696,702	48,814,683
Leasehold rights	33,529,982	15,164,668	-	5,627,506	11,907,273	36,787,377	27,250,215
Furniture and fixtures	20,640,022	84,310	-	552,863	14,145,122	6,579,210	7,047,763
Office equipment	48,835,717	2,114,504	-	4,460,871	42,329,392	8,620,829	10,967,196
Vehicle	10,313,409	-	-	1,153,236	6,881,351	3,432,058	4,585,294
Total	446,300,337	34,392,851	-	29,433,479	266,688,206	212,896,712	209,045,610
Previous year	402,311,850	46,757,187		27,290,975	237,254,727	209,045,610	

Depreciation for the year includes depreciation on amount added on revaluation of Rs. 19,36,415 (previous year Rs. 20,01,103) recouped from Fixed Asset Revaluation Reserve

5. INVESTMENTS - (other than trade)

(at cost)

Unquoted

In Debentures

Rs. 6,500 1/2% East India Clinic Ltd.

Rs. 17,000 5% East India Clinic Ltd.

(Non redeemable Mortgage Debenture Stock 1957)

Rs. 1,000 6% Sholapur Spinning & Weaving Co. Ltd.

(in Liquidation)

2005-2006

Rs.

2004-2005

Rs.

6,500

17,000

-

23,500

6,500

17,000

1

23,501

6. INVENTORY

(at cost or market value whichever is lower)

Raw Material

Stock-in-trade

Material-in-process

Stores

Materials-in-transit

143,431,147

283,981,038

40,580,058

2,745,135

26,452,265

497,189,643

156,272,135

291,568,664

30,946,429

1,737,346

34,077,219

514,601,793



Shalimar Paints Limited

Schedules forming part of the Accounts (Contd.)

	2005-2006	2004-2005
	Rs.	Rs.
7. SUNDRY DEBTORS		
(Unsecured - considered good)		
Debts outstanding for a period exceeding six months	45,253,000	37,481,000
Others	459,099,424	375,024,070
	<u>504,352,424</u>	<u>412,505,070</u>
8. CASH AND BANK BALANCES		
Cash and cheques in hand	30,573,371	38,215,993
Balance with Scheduled Banks :		
Current Account	55,974,961	41,913,162
Fixed Deposit Account	37,940	37,940
Unpaid Dividend Account	935,175	981,169
	56,948,076	42,932,271
Remittances in transit	2,048,587	1,209,880
	<u>89,570,034</u>	<u>82,358,144</u>
9. LOANS AND ADVANCES		
Unsecured : Considered Good		
Advances (recoverable in cash or in kind or for value to be received)	72,368,343	24,048,875
Income Tax Advance (Net)	-	4,088,581
Balances with Customs, Central Excise, etc	2,354,503	1,076,725
Deposits	27,840,547	26,454,173
	<u>102,563,393</u>	<u>55,668,354</u>
10. LIABILITIES		
Acceptances	68,766,107	51,307,264
Sundry Creditors		
- Dues to Small Scale Industrial Undertakings	29,566,404	30,110,952
- Others	485,723,353	474,106,800
Investor Education & Protection Fund shall be credited by:		
-Unpaid matured Deposits	-	-
-Unpaid Dividend	935,175	981,169
	<u>584,991,039</u>	<u>556,506,185</u>
11. PROVISIONS		
Taxation(net of advance)	2,627,242	
Proposed Dividend	13,249,670	9,464,050
Tax on Proposed Dividend	1,858,266	1,236,833
	<u>17,735,178</u>	<u>10,700,883</u>
12. MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
1. Voluntary Retirement Scheme		
Opening Balance	1,364,042	6,820,215
Less: Amortised during the year	(1,364,042)	(5,456,173)
Closing Balance	-	1,364,042
2. Deferred Revenue Expenditure		
Opening balance	1,654,142	2,537,575
Add : Incurred during the year	-	-
Less : Amortised during the year	(903,603)	(883,433)
Closing balance	<u>750,539</u>	<u>1,654,142</u>
	<u>750,539</u>	<u>3,018,184</u>



Shalimar Paints Limited

Schedules forming part of the Accounts (Contd.)

	2005-2006	2004-2005
	Rs.	Rs.
13 OTHER INCOME		
Sundry Sales	4,487,250	2,562,092
Profit/(loss) on sale of fixed assets	81,829	(495,600)
Lease Rental	11,902,158	8,944,655
Interest	292,535	98,830
Miscellaneous receipts	211,146	222,149
	<u>16,974,918</u>	<u>11,332,126</u>
14 INCREASE/(DECREASE) IN STOCKS		
Closing Stock		
Finished Goods	283,981,038	291,568,664
Materials-in-Process	40,580,058	30,946,429
	324,561,096	322,515,093
Opening Stock		
Finished Goods	291,568,664	218,113,752
Materials-in-Process	30,946,429	25,382,960
	322,515,093	243,496,712
	<u>2,046,003</u>	<u>79,018,381</u>
15 MATERIALS CONSUMED		
Opening Stock of Raw Materials	156,272,135	122,098,608
Less:Vat Credit available on Opening Stock Account	1,531,768	
	154,740,367	
Add : Purchase of Raw Materials	1,302,833,253	1,224,430,201
	1,457,573,620	1,346,528,809
Less : Closing Stock of Raw Materials	143,431,147	156,272,135
	<u>1,314,142,473</u>	<u>1,190,256,674</u>
16 EMPLOYEES' REMUNERATION AND OTHER BENEFITS		
Salaries, wages, bonus, pension etc.	86,844,031	86,182,949
Contribution to provident and other funds	11,226,771	12,052,794
Workmen and staff welfare expenses	18,513,319	17,788,153
	<u>116,584,121</u>	<u>116,023,896</u>
17 MANUFACTURING, ADMINISTRATIVE, SELLING AND OTHER EXPENSES		
Stores consumed	4,877,898	5,885,126
Power and fuel	19,642,442	22,394,310
Rent (Net)	8,336,133	7,064,138
Rates and taxes	1,107,898	1,027,787
Insurance	1,939,924	2,103,945
Repairs to plant and machinery	1,621,570	1,368,562
Repairs to building	966,234	402,012
Repairs - others	4,810,312	4,624,530
Printing and stationery	4,995,135	6,261,893
Communication expenses	9,722,015	9,899,775
Directors' fees	205,000	140,000
Audit fees and expenses	307,074	388,841
Commission on sales	12,508,820	9,751,781
Travelling expenses	22,896,164	23,329,934
Advertising and sales promotion	23,388,858	25,872,136
Freight and carriage	97,877,029	85,637,407
Miscellaneous Expenses	51,233,274	36,587,634
	<u>266,435,780</u>	<u>242,739,811</u>
18 INTEREST		
On Fixed Loans	327,636	-
Others	28,868,171	17,755,933
	<u>29,195,807</u>	<u>17,755,933</u>