SHALIMAR
PAINTS

29th September, 2016

National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Ltd.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 4000 01

REF.:- SCRIP CODE - NSE-SHALPAINTS, BSE-509874

SUB.: SUBMISSION OF ANNUAL REPORT OF SHALIMAR PAINTS LIMITED PURSUANT TO REGULATION 34 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Dear Sir/ Ma'am,

This is w.r.t the captioned subject, please find enclosed herewith the Annual Report of Shalimar Paints Limited for the financial year 2015-16.

This is for your information and record.

Thanking You,

Yours truly,

For **Shalimar Paints Limited**

Nitin Gupta
Company Secretary

SHALIMAR PAINTS LTD.

Encl: a/a

www.shalimarpaints.com

SHALIMAR
PAINTS

ANNUAL REPORT
2015-16

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Managing Director Message

Surender Kumar (Managing Director & CEO)

Dear Shareholders,

It gives me great pleasure to update you on the overall performance of your company. Inspite of a challenging external environment, your company has shown net profits compared to net loss in the previous year. This has been possible with the reinforcement of our product mix, improvising the existing products, operational efficiencies, softening of crude prices, margin management and cost efficiencies. The net profit for financial year 2015-16 has been Rs5.27crores at net sales of Rs 402.93 crores.

Your company's constant endeavor has been to retain the existing customers and to create new customer base by way of offering new quality products, better benefits and added advantages. At the same time, we also understand that our future success depends on getting ahead of the changes we see in business today. That's why our single biggest challenge and opportunity is to accelerate growth which is profitable, consistent and achieved in a responsible way.

During the year 2015-16, your company launched a number of new and innovative products which helped us maintain the growth trajectory. We had launched quite a few premium and luxury products in the interior as well as exterior paint category namely Signature – interior luxury emulsion, Superlac Stay Clean – interior premium acrylic emulsion and Weather Pro+ an exterior super premium acrylic emulsion. Besides launching new products, your company also changed the packaging and design of most of the existing products. Your company has an extensive product range comprising of Emulsions, Enamels, Distempers, Wood finishes, Cement Paints, Aluminum paints and Floor Coatings.

Demand for the industrial products, serviced through your company saw improvement over the previous year. In the industrial segment, your company had launched quite a few new products namely Single Pack DT- Primer cum Topcoat, Low Cost Zinc Silicate for Projects, High Build Quick Drying Coal Tar Epoxy, Solvent less Epoxy Costing For Pipe Industries, Quick drying Single pack Paint for Cylinder Industries, Black and Clear Bitumen Varnish and Stoving Paint for Hair Clip.

During the year 2015-16, your company was on air and appeared on Red FM and Big FM across 100 cities in India to enhance its brand equity. You will be glad to know that our radio advertisement won the prestigious Abby Award 2016 for creative excellence. During the year, your company also concentrated a lot on innovation and our R&D team worked constantly to develop new products. Automation is the mantra of new age and your company has shown lot of advancement in automating the processes. The automated tool for the sale force is a mobile application which proves very handy on the go. Our Mobile technology won the Business Technology Award (from Cyber media, Dataquest) for its Mobility Project.

Being a paints company, health and safety, product stewardship and responsibility are other key areas that are intrinsic to us. We have enhanced our reputation as a responsible and caring company offering consumer friendly products.

In the end, I would like to thank each one of our employees whose commitment and hard word helped deliver a successful year. I would also like to thank all our shareholders, for their continued support in our journey to deliver value.

Best regards,
Surender Kumar
Managing Director &CEO

Decorative Paints

A water- based Luxury Interior Emulsion with the toughness of pure acrylic binders fortified with fluoro polymers imparts high level of inertness for long lasting, luxurious and stain-free finish to walls. It delivers rich and bright colours with a touch of refined and delicate sophistication.

Signature, Interior Luxury Emulsion

Superlac Stay Clean is a water based premium emulsion which provides Easy Stain Cleanability.It is formulated with advanced stain-guard technology which gives superior stain resistance to household stains such as tea, coffee, ketchup etc.It has water beading feature: When water comes in contact with paint it converts water into tiny droplets which resist the water to penetrate into the surface.

Superlac Stay Clean, Interior Premium Emulsion

Weather PRO+ is a water based Super Premium 100% acrylic exterior emulsion with silicon additives to safeguard 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.

WeatherPRO+, Exterior Super Premium Emulsion

Superlac Premium Hi Gloss Enamel is a modified Alkyd based premium Enamel offering a smooth high gloss finish.It has excellent coverage, high opacity and quick drying features which offers durability and the long lasting finish. It gives mirror like gloss and tough film.It is an eco friendly product contains no added Lead, Mercury, Chromium or Arsenic

Superlac, All Surface Premium Hi-Gloss Emulsion

Industrial Paints

Protective Coating

Single Pack DT – Primer cum Topcoat

It is an industrial synthetic enamel. This is designed essentially for applications on steel Substare; It has a fast drying properties for providing anti-corrosion and decorative finish and it also acts as a primer cum topcoat in modified Alkyd system in single coat system

Low Cost Zinc Silicate for Projects

A two component self-curing solvent based Zinc Ethyl silicate primer for the protection of steel in marine, coastal and corrosive industrial environments. It gives excellent cathodic protection to steel by eliminating sub-film corrosion. It is compatible with a wide range of topcoats and it immensely upgrades anticorrosive performance of overcoating system

High Build Quick Drying Coal Tar Epoxy

A two component epoxy amine cured Ultra high build coal tar epoxy paint giving excellent toughness and water resistance. The product performs extremely well in partial or intermittent or fully immersed condition for both saline and fresh water. It also withstands in corrosive conditions in soil immersion and also certain acidic and alkaline environments. Because of its good alkali resistance this can be used with cathodic protection systems.

Solventless Epoxy Coating For Pipe Industries

Solvent free epoxy paint has two components high build, heavy duty, 100% solid ,zero VOC & special amine cured epoxy paint .Product is especially used to provide corrosion protection for internal steel pipe line used in potable water .It can be used on steel storage tanks used for crude oil, white oil & potable water. Product applied in new constructions as single coat for long term protection. EPIGARD SOLVENT FREE EPOXY FINISH is formulated to reduce solvent emission in potable water & not to pickup any test or odor on storage in steel tank & pipes.

Product Finish

Quick drying Single pack Paint for Cylinder Industries

It is a Quick Drying industrial synthetic enamel. This is designed essentially for applications on steel, concrete and wooden substrates in normal industrial environment with fast drying properties in different environmental conditions

Black and Clear Bitumen Varnish

Black And clear varnish used for SS pipe

Stoving Paint for Hair Clip

Used for hair clip for ladies

Board of Directors

Mr. Surender Kumar
Managing Director & CEO

Mr. Ratan Jindal

Mr. Gautam Kanjilal

Mr. Rajiv Rajvanshi

Ms. Pushpa Chowdhary

Corporate Information

Registered & Corporate Office

4th Floor, Plot No. 64, Sector-44, Gurgaon, Haryana – 122001
Tel.: (124) 4616600, Fax.: (124) 4616659

Registrars & Share Transfer Agents

MCS Share Transfer Agent Ltd
12/1/5, Manoharpukur Road, Kolkata, West Bengal - 700026
Tel.: (033) 40724051/52, Fax.: (033) 40724050
Email: mcssta@rediffmail.com

Consortium member Banks

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

Statutory Auditors

Chaturvedi & Partners

Company Secretary & Compliance Officer

Nitin Gupta

Website

www.shalimarpaints.com

Corporate Identification Number

CIN: L24222HR1902PLC065611

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611
Registered Office: 4th Floor, Plot No. 64, Sector – 44, Gurgaon, Haryana - 122001
Phone: 0124-4616600; Fax: 0124-4616659; E-mail Id: hwhsec@shalimarpaints.com
Website: www.shalimarpaints.com

Notice of the Annual General Meeting

NOTICE is hereby given that the 114th Annual General Meeting of the Company will be held on Wednesday, the 28th day of September, 2016 at 11:00 A.M., at Galaxy Hotel Shopping & Spa, NH-8, Sector 15 , Part-II, Gurgaon-122001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2016 and the Reports of the Board and Auditors thereon.

2. To appoint Auditors and to fix their remuneration and to pass with or without modification the following resolution, as an **Ordinary Resolution** :

   "**RESOLVED THAT** pursuant to the provisions of Section 139(2) of the Companies Act, 2013, Messrs Chaturvedi & Partners, Chartered Accountants (Firm Registration No. 307068E), be and are hereby re-appointed as Auditors of the Company from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that the Board of Directors of the Company be and is hereby authorised to fix the remuneration payable to the Auditors."

SPECIAL BUSINESS:

To Consider and if thought fit, to pass, with or without modification(s), the following resolutions:

3. **As an Ordinary Resolution:**

   "**RESOLVED THAT** pursuant to Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, the vacancy caused by retirement of Mr. Ratan Jindal (DIN: 00054026), who retires by rotation at this Annual General Meeting and who does not seek re-appointment, be not filled up."

4. **As an Ordinary Resolution:**

   "**RESOLVED THAT** Mr. Gautam Kanjilal (DIN: 03034033), who was appointed as an Additional Director of the Company with effect from 7th November, 2015 by the Board of Directors and who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 (the Act), who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, not subject to retirement by rotation, to hold office for a term of 3 (Three) consecutive years with effect from 7th November, 2015."

5. **As a Special Resolution:**

   "**RESOLVED THAT** pursuant to Section 197 and 198 read with Schedule V and other applicable provisions (including any statutory modification or re-enactment thereof) of the Companies Act, 2013 and the rules made thereunder and subject to the approval of the Central Government, consent of the members of the Company be and is hereby accorded to revise the remuneration structure of Mr. Surender Kumar w.e.f 1st October 2015, as set out in the agreement entered into between him and the Company, a copy of which was placed before the Meeting."

   RESOLVED FURTHER THAT subject to the approval of Central Government, the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to alter, vary, increase or decrease the remuneration of Mr. Surender Kumar, from time to time, within the overall limits, as may be approved by the Central Government, during the tenure of Mr. Kumar as a Whole Time Director of the Company."

6. **As a Special Resolution:**

   "**RESOLVED THAT** pursuant to Section 197 and 198 read with Schedule V and other applicable provisions (including

any statutory modification or re-enactment thereof) of the Companies Act, 2013 and Rules framed thereunder and subject to the requisite approval of the Central Government, consent of the members of the Company be and is hereby accorded to revise the remuneration structure of Mr. Surender Kumar, Whole Time Director and CEO w.e.f 1st April 2016, as set out in the agreement entered into between him and the Company, a copy of which was placed before the Meeting.".

RESOLVED FURTHER THAT subject to the approval of Central Government, the Nomination and Remuneration Committee of the Board of Directors of the Company be and is hereby authorized to alter, vary, increase or decrease the remuneration of Mr. Surender Kumar, from time to time, within the overall limits, as may be approved by the Central Government, during the tenure of Mr. Kumar as a Whole Time Director of the Company."

7. As a Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee, and approval of the Board and subject to the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule- V of the Companies Act, 2013 and Articles of Association of the Company, approval of the members of the Company be and is hereby accorded to the appointment of Mr. Surender Kumar as Managing Director and CEO of the Company for a period of three years with effect from 12th August, 2016 to 11th August, 2019, whose period of office shall be liable to retire by rotation, as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration"), upon the terms and conditions as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Surender Kumar.

RESOLVED FURTHER THAT the remuneration payable to Mr. Surender Kumar shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

8. As a Special Resolution:

"RESOLVED THAT pursuant to provisions of Section 197 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to the approval of the Central Government and subject to such other consents and approvals as may be necessary, the recovery of excess remuneration paid to Mr. Sameer Nagpal, Managing Director and CEO of the Company, amounting to ₹ 22,26,847/- for the financial year 2014-15 and ₹ 3,96,442/- for the financial year 2015-16, (*ceased to be Managing Director and CEO of the Company w.e.f 30th May, 2015*), over and above the limits as approved by the Central Government as per the provisions of the Section 197 & 200 read with Schedue V of the Companies Act, 2013, resulting from inadequacy of profits for the aforesaid period be and is hereby waived.

RESOLVED FURTHER THAT the Company do apply to the Central Government for obtaining its approval to the waiver of recovery of excess remuneration paid to Mr. Sameer Nagpal, Managing Director and CEO, during the financial years 2014-15 and 2015-16, and the Company Secretary of the Company, be and is hereby authorised to submit the requisite application and other documents to the Central Government and to do all the necessary acts, deeds, matters and things in connection therewith and incidental thereto."

9. As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company with immediate effect.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution."

10. As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), the draft clauses contained in the Memorandum of Association submitted to this meeting

be and are hereby approved and adopted in substitution, and to the entire exclusion, of the clauses contained in the existing Memorandum of Association of the Company with immediate effect.

RESOLVED FURTHER THAT the Board of Directors of the Company, be and are hereby authorised to do all such acts, deeds and actions as may be necessary, proper or expedient to give effect to this resolution."

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

Nitin Gupta
Company Secretary
Membership No.F8485

Place : New Delhi
Dated : 1st September, 2016

Notes:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of members not exceeding fifty and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

2. The instrument of proxy/proxies in order to be effective must be deposited at the Registered Office of the Company at 4th Floor, Plot No. 64, Sector – 44, Gurgaon, Haryana - 122001, duly completed and signed, not less than 48 hours before the time fixed for the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority as applicable.

3. Information regarding particulars of the Director to be appointed and the Director seeking re-appointment requiring disclosure in terms of the Secretarial Standard 2, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, are annexed hereto.

4. Members having any question on financial statements or on any agenda item proposed in the Notice of AGM are requested to send their queries at least 10 days prior to the date of AGM of the Company at its registered office address, so that the information can be made available at the meeting.

5. Members / Proxy holders are requested to produce their admission slips at the entrance of the meeting hall.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy verification of attendance at the Meeting.

7. The register of members and share transfer books of the Company will remain closed from Thursday, 22rd September, 2016 to Wednesday, 28th September, 2016 (both days inclusive), in accordance with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, where the equity shares of the Company are listed, for the purpose of AGM.

8. In compliance with the provisions of Section 124 of the Companies Act, 2013, the dividend for the financial year ended 31st March, 2009, which remains unpaid or unclaimed, is due for transfer to the Investors Education and Protection Fund of the Central Government on 4th September, 2016. It may be noted that once the unclaimed dividend amount is transferred to the Fund, the same cannot be claimed by the Members there from. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2009 onwards are requested to claim the same from the Company's Registrar and Share Transfer Agents, Messrs. MCS Share Transfer Agent Ltd. The folio-wise details of amount of unpaid dividend for the financial year ended 31st March, 2009 onwards are available on the Company's website www.shalimarpaints.com as well as on the website of Ministry of Corporate of Affairs www.iepf.gov.in.

   During the year ended 31st March, 2016, the Company has deposited a sum of Rs.3,20,460/- (Rupees Three Lacs Twenty Thousand Four Hundred and Sixty Only) to the Investor Education and Protection Fund of the Central Government, on account of unclaimed/unpaid dividend for the financial year 2007-08.

9. As a measure towards Green Initiative, it is proposed that documents like Notices of Meetings, Annual Reports, Board Report and Auditors' Report and other shareholder communications will be sent electronically to the email address provided by the shareholders and / or made available to the Company by the Depositories viz., NSDL / CDSL. Shareholders holding the shares in dematerialized form are requested to keep their Depository Participant

(DP) informed and updated of any change in their email address. For shares held in physical form, shareholders can register their email address by sending a duly signed letter mentioning their name(s), folio no(s). and email address to the Company's Registrar & Transfer Agent, Messrs MCS Share Transfer Agent Ltd.

10. Members, who are holding shares in physical form are requested to address all correspondence concerning registration of transfers, transmissions, sub-division, consolidation of shares or any other share related matters and / or change in address or updation thereof to MCS Share Transfer Agent Ltd. (Company's RTA). Members, whose shareholding is in electronic format are requested to direct change of address notifications, registration of e-mail address and updation of bank account details to their respective DPs.

11. The Securities and Exchange Board of India (SEBI) has mandated the 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 (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Company's RTA.

12. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company or to the Company's Registrar and Share Transfer Agent.

13. Corporate members intending to send their authorised representative(s) to attend the meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the meeting.

14. The copy of Annual Report along with the notice of 114th Annual General Meeting inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form etc. are being sent to the members through e-mail who have registered their email ids with the Company / depository participant (DPs)/Company's Registrar and Transfer Agent (RTA).

    Members are requested to update their preferred e-mail ids with the Company / DPs/RTA which will be used for the purpose of future communications.

    Members whose e-mail id is not registered with the Company are being sent physical copies of the Annual Report along with the Notice of 114th Annual General Meeting inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form etc. at their registered address through permitted mode.

    Members whose e-mail ids are registered with the Company and who wish to receive printed copy of the Annual Report may send their request to the Company/ Company's RTA.

    Copy of annual report along with the notice of 114th Annual General Meeting inter alia, indicating the process and manner of e-voting, Attendance Slip and Proxy Form etc. will also be available on the Company's website www.shalimarpaints.com. Members may write to us at hwhsec@shalimarpaints.com, if they have any queries or require communication in physical form in addition to electronic communication.

15. The Register of Directors and Key Managerial Personnel and their shareholding, Register of Contracts or Arrangements in which Directors are interested will be available for inspection at the venue of the meeting.

16. The notice of AGM is being sent to those members / beneficial owners whose name will appear in the register of members / list of beneficiaries received from the depositories as on Friday, 19th August, 2016.

17. In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 , the Company is pleased to provide to its members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means and the business may be transacted through remote e-voting services. The members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ("remote e- voting").

18. Since the Company is providing the facility of remote e-voting to the shareholders, there shall be no voting by show of hands at the AGM. The facility for ballot / polling paper shall be made available at the Meeting and the members attending the Meeting who have not casted their vote by remote e-voting shall be able to vote at the Meeting through ballot / polling paper.

19. The shareholders can opt for only one mode of voting i.e. remote e-voting or physical polling at the meeting. In case of voting by both the modes, vote cast through remote e-voting will be considered final and voting through physical ballot will not be considered. The members who have cast their vote by remote e-voting may also attend the Meeting.

20. The Company has engaged the services of Central Depositories Services India Limited (CDSL) as the Agency to provide e-voting facility.

21. Mr. Mohit of M/s Mohit & Associates, Company Secretaries, Gurgaon (Membership No: A30192, C.P. No. 11722), as Scrutinizer to scrutinize the physical voting and remote e-voting process in a fair and transparent manner and he has communicated his willingness to be appointed and will be available for same purpose.
22. The Voting rights of Members for e-voting and for physical voting at the meeting shall be in proportion to the paid up value of their shares in the equity share capital of the Company as on the cut-off date i.e. Wednesday, 21st September, 2016.
23. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, 21st September, 2016 shall only be entitled to avail the facility of remote e-voting / physical voting.
24. **Voting through Electronic means:**

    The instructions for shareholders voting electronically are as under:

    (i) The e-voting period commences on Sunday, 25th September, 2016 (9:00 A.M. (IST)) and ends on Tuesday, 27th September, 2016 (05:00 P.M.(IST)). During this period, shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, i.e. Wednesday, 21st September, 2016, 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.

    (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. Members holding shares in Physical Form should enter Folio Number registered with the Company.

    (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 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 Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
	• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details or Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Bank Details 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) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

    (xi) For Members 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 'Shalimar Paints Limited' on which you choose to vote.

    (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the 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) Note for Non Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts 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.

(xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, 21st September, 2016, may follow the same instructions as mentioned above for e-Voting.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com

25. The Scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in the employment of the Company and within a period not exceeding three (3) days of the conclusion of the meeting, make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the Company.

26. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.shalimarpaints.com and on the website of CDSL. The results shall simultaneously be communicated to the National Stock Exchange of India Ltd and BSE Limited. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

27. All documents referred to in the Notice and the Explanatory Statements are available for inspection at the Registered Office of the Company during normal business hours on all working days till the date of the Annual General Meeting.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

Item No. 3

In accordance with Articles of Association of the Company, Mr. Ratan Jindal retires by rotation at the ensuing Annual General Meeting. Mr. Jindal, has not offered himself for re-appointment.

The Board proposes that the vacancy caused by his retirement be not filled up.

Mr. Jindal has been on the Board since year 1990. The Board places on record its appreciation for the valuable services rendered by Mr. Jindal during his tenure as a director on the Board.

The Board recommends the passing of this resolution. None of the directors of the Company except, Mr. Jindal, may be deemed to be interested in the resolution.

Item No. 4

The Board of Directors of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company, has appointed Mr. Gautam Kanjilal as an Additional Director of the Company with effect from 7th November, 2015. In terms of the provisions of Section 161(1) of the Act, Mr. Gautam Kanjilal would hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing alongwith the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Gautam Kanjilal for the office of Director of the Company.

Mr. Gautam Kanjilal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Mr. Gautam Kanjilal possesses appropriate skills, experience and knowledge. Brief resume of Mr. Gautam Kanjilal, nature of his expertise in specific functional areas and names of other public limited companies in India in which he holds directorships and details of memberships / chairmanships of Board Committees of the public limited companies in India and other details is enclosed with the notice. Keeping in view his vast expertise and knowledge, it will be in the interest of the Company that Mr. Gautam Kanjilal is appointed as Director. Save and except Mr. Gautam Kanjilal and his relatives, to the extent of their shareholding, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the Notice. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the shareholders.

Item No. 5 & 6

Mr. Surender Kumar, aged about 51 years and a Chartered Accountant, was re-designated as CEO of the Company w.e.f 1st April 2016. Mr. Surender Kumar is continuing to act as Whole Time Director of the Company.

In compliance with the provisions of Section 178 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee of the Board, the terms of payment of remuneration, as detailed in the Resolution No. 5 & 6, to Mr. Surender Kumar were approved by the Board, subject to approval of the shareholders and the Central Government.

The information required to be given pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013, are given hereunder:

I. General Information:

Shalimar Paints incorporated in the year 1902, is the first paint manufacturing company in India and thereafter it started its commercial production. It has a network of 53 branches and depots spread across the country. It has a strong and robust network of around 8000 dealers. The Company has manufacturing facilities at multiple locations. The Net revenue from operations & other income of the company for the FY 2015-16 stood at ₹ 40322.67 lacs as against ₹ 43501.14 lacs in the previous year 2014-15. The Company does not have any foreign collaboration.

II. Information about the appointee:

Mr. Surender Kumar, aged about 51 years, is a Chartered Accountant. He is having a rich experience of around 25 years primarily in paint industry with core expertise in General Management, Operational Management, Project Management, Marketing and Financial Management.

Out of 25 years of rich experience, he was with Akzo Nobel India & Asia Pacific, for about 15 years, a fortune 500 European MNC. Akzo Nobel manufactures and market a wide range of decorative (Dulux) paints, performance coatings and specialty chemicals and is a significant player in the paint and chemical industry.

Before revision, Mr. Kumar was withdrawing approximately

Before 1st October, 2015	Before 1st April, 2016
₹ 90,00,000.00/-	₹ 1,00,00,000.00/-

towards his remuneration from the Company as a WTD and COO & CFO.

Mr. Kumar shall have, subject to the overall control and direction of the Board of Directors of the Company, general control, management and superintendence of the business of the Company in the ordinary course of business and shall be responsible for the working and performance of the Company. He shall report to the Board of Directors of the Company. His responsibilities would include formulating and executing long term vision of the organization, developing a scalable business model by building capability, setting up processes and systems within the organization and would also be responsible for strategic transformation and revival of the organization.

I.

Sr. No.	Particulars	Proposed Remuneration structure from 1st October 2015	Proposed Remuneration structure from 1st April, 2016
(a)	Basic Salary	2,48,000/- per month	2,68,840/- per month
(b)	HRA	1,24,000/- per month	1,34,420/- per month
(c)	Special / other Allowances	2,80,760/- per month	3,29,335/- per month
II.	Performance Linked Variable Pay	16,66,680/- per annum	18,66,690 /- per annum

I) Superannuation Benefits :

a) Contribution to Provident Fund as per the rules of the Company.

b) Gratuity as per the rules of the Company.

(II) Employees Stock Option as per the policy and ESOP scheme of the Company.

(III) Mr. Surender Kumar shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

(IV) In the event of loss or inadequacy of profits in any financial year during the period of his appointment, Mr. Surender Kumar shall be paid the above mentioned remuneration by way of salary, allowances and performance linked variable pay, subject to the provisions of Schedule V to the Companies Act, 2013 and subject to requisite approval of the Central Government

III. Other information:

The Company turned into profit after two consecutive years of loss. A lot of new initiatives were taken; improvement in operational efficiency, improvement in working capital, cost control and measures, automation of processes. This all will create strong foundation for future growth.

Our identity of 'SHALIMAR' guides us, bringing our employees to the forefront. As the world's fastest growing economy, this decade appears to belong to India and Shalimar is confident of contributing towards this growth.

We have devised new ways of capturing previously untapped markets; launched innovative products; equipped the field force with modern technology enablers; and made our manufacturing units efficient and sustainable. Further, as our capacity utilisation improved, our units also optimised their energy usage, creating an eco-friendly products for the economy.

We have also ensured our positive contribution to the sustainability theme by improving on water management system, all focusing on 'doing more with less'.

IV. Disclosures:

The requisite disclosures, as required to be given pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013, are given in the Item No.5 & 6 of this Notice read with intimation given pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 forming part of this Notice.

The Board considered the knowledge, experience and expertise of Mr. Surender Kumar in the field of Paints and Varnishes business and is of the opinion to revise the remuneration structure of Mr. Surender Kumar shall be of immense benefit to the Company. The Board recommends Resolution Nos. 5 & 6 for approval by the Members.

Mr. Surender Kumar does not hold Directorship or Membership of Committees of the Board in any Company other than Shalimar Paints Limited and its subsidiaries namely Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited.

Mr. Surender Kumar is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013 and to the promoter group of the Company.

Mr. Surender Kumar does not hold any share in the Company. Mr. Kumar has attended all the Board Meetings and General Meetings held during the financial year ended 31st March 2016.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company other than Mr. Surender Kumar, is concerned or interested, financially or otherwise, in this resolution.

Item No. 7

On the recommendations received from the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on 12th August, 2016, has appointed Mr. Surender Kumar as the Managing Director & CEO of the Company for a period of 3 years with effect from 12th August, 2016 to 11th August, 2019, subject to the approval of the shareholders.

In compliance with the provisions of Section 196, 197, 198 and 203 of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 and based on the recommendation of the Nomination and Remuneration Committee of the Board, the terms of payment of remuneration, as explained below, to Mr. Surender Kumar were approved by the Board, subject to approval of the shareholders and the Central Government.

The information required to be given pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013, are given hereunder:

I. General Information:

Shalimar Paints incorporated in the year 1902, is the first paint manufacturing company in India and thereafter it started its commercial production. It has a network of 53 branches and depots spread across the country. It has a strong and robust network of around 8000 dealers. The Company has manufacturing facilities at multiple locations. The Net revenue from operations & other income of the company for the FY 2015-16 stood at ₹ 40322.67 lacs as against ₹ 43501.14 lacs in the previous year 2014-15. The Company does not have any foreign collaboration.

II. Information about the appointee:

Mr. Surender Kumar, aged about 51 years, is a Chartered Accountant. He is having a rich experience of around 25 years primarily in paint industry with core expertise in General Management, Operational Management, Project Management, Marketing and Financial Management.

Out of 25 years of rich experience, he was with Akzo Nobel India & Asia Pacific, for about 15 years, a fortune 500 European MNC. Akzo Nobel manufactures and market a wide range of decorative (Dulux) paints, performance coatings and specialty chemicals and is a significant player in the paint and chemical industry.

Before revision, Mr. Kumar was withdrawing approximately ₹ 1,00,00,000.00/- per annum towards his remuneration from the Company as a WTD & CEO.

Mr. Kumar shall have, subject to the overall control and direction of the Board of Directors of the Company, general control, management and superintendance of the business of the Company in the ordinary course of business and shall be responsible for the working and performance of the Company. He shall report to the Board of Directors of the Company. His responsibilities would include formulating and executing long term vision of the organization, developing a scalable business model by building capability, setting up processes and systems within the organization and would also be responsible for strategic transformation and revival of the organization.

Sr. No.	Particulars	Proposed Remuneration structure from 12th August, 2016
(a)	Basic Salary	2,68,840/- per month
(b)	HRA	1,34,420/- per month
(c)	Special / other Allowances	3,29,335/- per month
II.	Performance Linked Variable Pay	18,66,690 /- per annum

I) Superannuation Benefits :

a) Contribution to Provident Fund as per the rules of the Company.

b) Gratuity as per the rules of the Company.

(II) Employees Stock Option as per the policy and ESOP scheme of the Company.

(III) Mr. Surender Kumar shall not be paid any sitting fees for attending the meetings of the Board of Directors or committees thereof.

(IV) In the event of loss or inadequacy of profits in any financial year during the period of his appointment, Mr. Surender Kumar shall be paid the above mentioned remuneration by way of salary, allowances and performance linked variable pay, subject to the provisions of Schedule V to the Companies Act, 2013 and subject to requisite approval of the Central Government

III. Other information:

The Company turned into profit after two consecutive years of loss. A lot of new initiatives were taken; improvement in operational efficiency, improvement in working capital, cost control and measures, automation of processes. This all will create strong foundation for future growth.

Our identity of 'SHALIMAR' guides us, bringing our employees to the forefront. As the world's fastest growing economy, this decade appears to belong to India and Shalimar is confident of contributing towards this growth.

We have devised new ways of capturing previously untapped markets; launched innovative products; equipped the field force with modern technology enablers; and made our manufacturing units efficient and sustainable. Further, as our capacity utilisation improved, our units also optimised their energy usage, creating an eco-friendly products for the economy.

We have also ensured our positive contribution to the sustainability theme by improving on water management system, all focusing on 'doing more with less'.

IV. Disclosures:

The requisite disclosures, as required to be given pursuant to proviso (iv) of Section II of Part II of Schedule V to the Companies Act, 2013, are given in the Item No.7 of this Notice read with intimation given pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard 2 forming part of this Notice.

The Board considered the knowledge, experience and expertise of Mr. Surender Kumar in the field of Paints and Varnishes business and is of the opinion that Mr. Surender Kumar shall be of immense benefit to the Company. The Board recommends Resolution No. 7 for approval by the Members.

Mr. Surender Kumar does not hold Directorship or Membership of Committees of the Board in any Company other than Shalimar Paints Limited and its subsidiaries namely Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited.

Mr. Surender Kumar is not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013 and to the promoter group of the Company.

Mr. Surender Kumar does not hold any share in the Company. Mr. Kumar has attended all the Board Meetings and General Meetings held during the financial year ended 31st March 2016.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company other than Mr. Surender Kumar, is concerned or interested, financially or otherwise, in this resolution.

Item No 8

Mr. Sameer Nagpal ceased to be Managing Director and CEO w.e.f. 30th May, 2015. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 12th August, 2016 have accorded their consent for the waiver of recovery of the excess managerial remuneration paid to Mr. Sameer Nagpal during the period set forth in the resolution, subject to approval of the shareholders and the Central Government.

The Board recommends the resolution set out at Item No. 8 as a special resolution to the shareholders for their approval.

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

Item No. 9 & 10

Shalimar Paints Limited was incorporated as Shalimar Paint, Colour and Varnish Company Private Limited on December 16, 1902 under the provisions of the Indian Companies Act, 1882 (amended as per Companies Act, 1956). The existing Memorandum and Articles of Association ("MOA & AOA") were based on the Companies Act, 1956 and several clauses / regulations in the existing MOA & AOA contain references to specific sections of the Companies Act, 1956 and which are no longer in force.

The Existing regulations of the Articles of Association are replaced by the new set of regulations and adopted as new set of Articles of Association as per the requirements of Table F of First Schedule in the Companies Act, 2013. The modification in Articles of association is carried out to give effect to provisions of the Companies Act, 2013.

Consent of the shareholders by way of a Special Resolution is required in this regard.

None of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested in the said resolution.

The Directors recommend the aforesaid resolution for the approval by the members as a Special Resolution.

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

Nitin Gupta
Company Secretary
Membership No.F8485

Place : New Delhi
Dated : 1st September, 2016

Information of Directors to be appointed and the Directors seeking reappointment at the forthcoming Annual General Meeting (pursuant to Secretarial Standard 2 issued by ICSI and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) as on the date of Notice.

Name of the Director	Mr. Surender Kumar	Mr. Gautam Kanjilal
Director Identification Number (DIN)	00510137	03034033
Date of Birth (Age in years)	14th April, 1965 (51 years)	28th September, 1949 (67 years)
Original date of Appointment	30th May, 2015	7th November, 2015
Qualification	Chartered Accountant from the Institute of Chartered Accountants of India	Masters degree in Economics
Experience and expertise in specific functional area	Has a rich experience of around 25 years, primarily in paint industry, with core expertise in General Management, Operational Management, Project Management, Marketing and Financial Management.	Started his career as Probationary Officer in July 1972 at State Bank of India, he diligently served the nationalized bank for over four decades. In his tenure at SBI, he executed important administrative and business assignments covering a large matrix of banking operations. During his posting at the corporate headquarters of SBI Capital Markets Ltd, the merchant banking arm of SBI, he was responsible for debt syndication and planning. He also handled all types of equity/ debt issues of PSU and Corporate. As AGM of Overseas Branch, Kolkata, he managed the accounts of large corporate EOUs/ export houses; which involved credit appraisals, especially related to Forex.
Shareholding in Shalimar Paints Limited	Nil	Nil
Remuneration last drawn	Approximately ₹ 1,00,00,000/- per annum	--
No. of Board Meeting Attended during the financial year 2015-16	Attending all the four Board Meetings held during the period	Attended one Board Meeting as held during the period after his appointment.
Terms and conditions of re-appointment and remuneration	As detailed in the item no. 7 of the Notice read with explanatory statement thereto	As detailed in the Item No. 4 of the Notice read with Explanatory Statement thereto
Relationship with other Directors or KMPs	Not a relative of any Directors 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	
Directorship held in other companies in India	Shalimar Adhunik Nirman Limited Eastern Speciality Paints & Coatings Private Limited	Jindal Stainless Limited Optiemus Infracon Limited
Membership/ Chairmanship of Committees, held during the financial year 2015-16 in the public limited companies in India	Shalimar Paints Limited – Corporate Social Responsibility Committee (Chairman)	Jindal Stainless Limited – Audit Committee (Member) Shalimar Paints Limited – Audit Committee (Chairman), Nomination and Remuneration Committee (Chairman), Stakeholders Relationship Committee (Member) Optiemus Infracon Limited – Audit Committee (Chairman), Corporate Social Responsibility Committee (Member)

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

Nitin Gupta
Company Secretary
Membership No.F8485

Place : New Delhi
Dated : 1tst September, 2016

Dear Shareholders,

Your Directors are pleased to present the 114th Annual Report on the business and operations of the Company along with Standalone and consolidated financial statements for the financial year ended 31st March, 2016.

Financial results **₹ (in lakhs)**

Description	2015-16		2014-15	
	Standalone	**Consolidated**	Standalone	Consolidated
Net Revenue from Operations & Other Income	**40322.67**	**40322.67**	43501.14	43501.14
Expenses	**37171.98**	**37174.85**	42444.96	42444.96
PBIDT	**3150.69**	**3147.82**	1056.18	1056.18
Exceptional Items	**-**	**-**	-	-
Profit before tax	**431.55**	**428.35**	-1484.76	-1484.76
Provision for taxation				
Current Tax	**-**	**-**	-	-
Deferred Tax	**-95.97**	**-96.96**	-426.36	-426.36
Profit after tax	**527.52**	**525.31**	-1058.4	-1058.4
Add: Amount brought forward from last year's account	**650.76**	**650.76**	1820.77	1820.77
Less: Prior period adjustment – Depreciation	**-**	**-**	-111.61	-111.61
Profit available for appropriation	**1178.28**	**1176.07**	650.76	650.76
Balance carried to Balance Sheet	**1178.28**	**1176.07**	650.76	650.76

Review of Operations & State of Company's Affairs

The Company turned into profit after two consecutive years of loss. A lot of new initiatives were taken; improvement in operational efficiency, improvement in working capital, cost control and measures, automation of processes. During the FY 2015-16, the Company earned a profit (after tax) of ₹ 527.52 lacs as against loss (after tax) of ₹ 1058.40 lacs in the previous year. The Net revenue from operations & other income of the Company for the FY 2015-16 stood at ₹ 40322.67 lacs as against ₹ 43501.14lacs in the previous year. There is a plunge in the revenue of the Company, although there is a improvement in the working capital and cash flow. A lot of new products were launched in the decorative paint segment in the interior as well as exterior paint category namely Signature, Superlac Stay Clean, Weather PRO+, G. P. Synthetic Enamel.

In the industrial segment, your company had launched quite a few new products namely Single Pack DT- Primer cum Topcoat, Low Cost Zinc Silicate for Projects, High Build Quick Drying Coal Tar Epoxy, Solvent less Epoxy Costing For Pipe Industries, Quick drying Single pack Paint for Cylinder Industries, Black and Clear Bitumen Varnish and Stoving Paint for Hair Clip.

Nature of Business

There has been no change in the nature of business of the company.

Dividend

No dividend was declared by the Company for the financial year 2015-16.

Abridged Financial Statements

In accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations') and Section 136 of the Companies Act, 2013 read with Rule 10 of the Companies (Accounts) Rules, 2014, the abridged Annual Report containing salient features of the financial statements, including Consolidated Financial Statements, for the Financial Year 2015-16, along with statement containing salient features of the Directors' Report (including Management Discussion & Analysis and Corporate Governance Report) is being sent to all shareholders who have not registered their email address(es) for the purpose of receiving documents/ communication from the Company in electronic mode. Please note that you will be entitled to be furnished, free of cost, the full Annual Report 2015-16, upon receipt of written request from you, as a member of the Company. Full version of the Annual Report 2015-16 containing complete Balance Sheet, Statement of Profit & Loss, other statements and notes thereto, including Consolidated Financial Statements, prepared as per the requirements of Schedule III to the Companies Act, 2013, Directors' Report (including Management Discussion and Analysis, and Corporate Governance Report is being sent via email to all shareholders

who have provided their email address(es). Full version of Annual Report 2015-16 is also available for inspection at the corporate office of the Company during working hours up to the date of ensuing Annual general meeting (AGM). It is also available at the Company`s website at www.shalimarpaints.com

Consolidated Financial Statement
In compliance with the applicable provisions of Companies Act, 2013 including the Accounting Standard 21 & SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Consolidated Financial Statements, this Annual Report also includes Consolidated Financial Statements for the financial year 2015- 16.

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

Board's Report
Share Capital
During the year under review, there were changes in the Company's paid-up equity share capital.

During the current financial year up to the date of this report, the Company has issued 17875 equity shares of ₹ 2/- each upon exercise of stock options under the Company's ESOP Scheme i.e. 'ESOP 2013'. Consequently, the paid-up equity share capital of the Company as on the date of this report stood at ₹ 3,78,91,950 divided into 1,89,45,975 equity shares of ₹ 2/- each.

General Reserve
The Company has transferred Nil to the General Reserve during the financial year ended 31st March, 2016.

Material changes and commitments affecting financial position between the end of the financial year and date of the report
- The shareholders have passed the special resolution for shifting of registered office of the Company from the State of West Bengal to the State of Haryana, through postal ballot. The result of which was declared on 15th March 2016.
- Re-designated Mr. Surender Kumar as CEO of the Company w.e.f 1st April, 2016.
- Central Government vides its order number RD/T/23269/S-13(4)/16/6452 dated 5th August, 2016, has approved the application under section 13(4) of the Companies Act, 2013 for change of registered office of the Company from the State of West Bengal to the State of Haryana and the certificate of registration of order of Regional Director for change of state has been issued by the Registrar of Companies, NCT of Delhi & Haryana on 1st day of September, 2016.
- Resignation of Mr. Girish Jhunjhnuwala from the Chairmanship and Directorship of the Company w.e.f 12th August, 2016.
- Re-designated Mr. Surender Kumar as Managing Director and CEO of the Company w.e.f 12th August, 2016.
- Appointment of Mr. Janak Raj Goyal as Chief Financial Officer (CFO) of the Company w.e.f 12th August, 2016

Transfer of amount to Investor Education and Protection Fund
In terms of Section 124 of the Companies Act, 2013, the Company is required to transfer the amount of dividend remaining unclaimed for a period of seven years from the date of transfer to the unpaid dividend account to the Investor Education and Protection Fund (IEPF).The dividend for the financial year 2007-08, which remained unpaid/unclaimed, aggregating to ₹ 3, 20,460/- (Rupees Three Lacs Twenty Thousand Four Hundred Sixty Only) was transferred to IEPF during the year under review.

Deposits (Disclosure on Deposit under Chapter V)
The Company has neither accepted nor renewed any deposit during the year. There was no unpaid/unclaimed deposit as at 31st March, 2016.

Tinting Systems
Tinting is an economic way of producing a virtually unlimited number of paint colours to meet the exact needs of each individual customer, large or small. 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. During the year, the Company had launched their low cost, high quality tinting machine. This technology will allow us to build our distribution faster and in a more competitive way, especially in high growth regions.

ISO Certifications
Nashik and Sikandrabad Plants of the Company are ISO 9001:2008 accredited.

Credit Ratings

The company has been accorded credit rating of CARE BBB for long term bank facilities, CARE BBB/CARE A3 for long/ short term bank facilities and CARE A3 for short term bank facilities by Credit Analysis and Research Limited on 1st December, 2015.

Employee Stock Option Plan (ESOP)

Pursuant to Employee Stock Option Scheme, 2013 i.e. 'ESOP 2013' of the Company, the details of ESOPs granted, vested and exercised by permanent employees of the Company during the financial year under review, as required under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and as per the provisions of Section 62(1)(b) of the 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, Retirements & Resignations

During the financial year 2015-16, Mr. Pujit Aggarwal and Mr. Aditya Vikram Lodha – Non Executive Independent Directors of the Company has resigned from the Board of the Company w.e.f 16th June 2015 and 7th November 2015 respectively. The Board placed on record their sincere appreciation for the guidance and contribution made by them during their tenure on the Board.

Further, in compliance with the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force, Mr. Gautam Kanjilal (DIN:03034033) was appointed as Independent Director by the Board of Directors of the Company in their meeting held on 7th November, 2015 and will vacate his office at the ensuing Annual General Meeting. A notice in writing was received from the Member of the Company in terms of Section 160 of the Companies Act, 2013 signifying the intention to propose the appointment of Mr. Gautam Kanjilal as a Director of the Company. Your Board recommends his appointment as the Director in the ensuing AGM.

During the financial year 2015-16, Mr. Sameer Nagpal (DIN: 06599230), Managing Director and CEO, had resigned from the Board of the Company with effect from 30th May, 2015. The Board placed on record their sincere appreciation for the guidance and contribution made by him during his tenure on the Board.

Mr. Surender Kumar, who was appointed as Whole-time Director and Chief Operating Officer (COO) and Chief Financial Officer (CFO) was re-designated as CEO of the Company w.e.f 1st April, 2016. Further, Mr. Kumar was re-designated as Managing Director and CEO of the Company w.e.f 12th August, 2016.

Mr. Girish Jhunjhnuwala, Chairman of the Company has resigned from the Chairmanship and Directorship of the Company w.e.f 12th August, 2016. The Board placed on record their sincere appreciation for the guidance and contribution made by him during his tenure on the Board.

Mr. Ratan Jindal, Non-Executive, Non-Independent Director is liable to retire by rotation at the ensuing Annual General Meeting (AGM) pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and he has shown his unwillingness to be re-appointed at the ensuing Annual General Meeting.

In compliance with the provisions of Section 203 of the Companies Act, 2013, Mr. Janak Raj Goyal has been appointed as Chief Financial Officer (CFO) of the Company w.e.f 12th August, 2016.

Ms. Bernadette Dominic, Company Secretary, had resigned with effect from 16th October, 2015. The Board at its meeting held on 1st February, 2016 had appointed Mr. Nitin Gupta as the Company Secretary and Compliance Officer.

A brief profile of the Directors proposed to be appointed and re-appointed, as required under Secretarial Standard 2 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, is appended as an Annexure to the Notice of the ensuing AGM. The Board recommends the same for the approval of the shareholders of the Company.

Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence, as prescribed under Sub Section (6) of Section 149 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct.

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:
http://www.shalimarpaints.com/upload/investor_reports/Nomination%20and%20Remuneration%20Policy.pdf

Annual Evaluation of Directors, Committees and Board

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.

On the basis of the consolidated report on questionnaire/feedback form received from the individual directors, the Board evaluated the performance of the Board, Board Committees and Individual Directors and noted its satisfaction on the outcome.

The Independent Directors had met separately on 1st February 2016 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 its Committees

The Board of Directors met four times during the Financial Year 2015-16. The details of the Composition of the Board and its Committees and number of Board and Committee meetings held during Financial Year 2015-16 and attendance of Directors and members of the Committee at the said meetings are provided in the Report on Corporate Governance, which forms part of this Report.

Subsidiaries

As on 31st March, 2016, 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. Since no business activity was carried out by ESPCPL during the year under review and accordingly, have not prepared the Statement of Profit & Loss for the year 2015-16.
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.

Auditors & Audit Report

Statutory Auditors

M/s Chaturvedi and Partners, the Statutory Auditors of the Company, retire at the conclusion of forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment for the F.Y. 2016-17.

The Company has received confirmation from M/s Chaturvedi and Partners, Chartered Accountants to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013 and that they are not disqualified to act as Auditors of the Company, if re-appointed.

The Audit report on the financial statements for the year 2015-16 does not contain any qualifications, reservations or adverse remarks

Secretarial Auditors

The Company had appointed M/s Surinder Vashishtha & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the Financial Year 2015-16 ended on 31st March, 2016.Pursuant to Section 204 of Companies Act, 2013 the Secretarial Auditor has submitted their report in the prescribed Form MR-3, confirming compliance by the Company of all the provisions of applicable corporate laws. The Report does not contain any qualification, reservation or adverse remark. The Secretarial Audit Report is annexed as '**Annexure - C**' to this Report.

Corporate Social Responsibility

Shalimar Paints has been an early adopter of Corporate Social Responsibility (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 main responsibilities of the Company towards society at large are to eradicate hunger, poverty and malnutrition; promote education, promote preventive health care and sanitation and making available safe drinking water, promoting gender equality and empowering women.

The Corporate Social Responsibility Policy outlines the Company's strategy to bring about a positive impact on society through programs relating to hunger, poverty, education, health care, environment and lowering its resource footprint. The composition and terms of reference of the CSR Committee is provided in the Report on Corporate Governance, which forms part of this Report.

The CSR Policy of the Company is available on the Company's website link at:
http://www.shalimarpaints.com/upload/investor_reports/Corporate%20Social%20Responsibility%20Policy.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

During the year, the Company's equity shares continue to be listed with BSE Limited, the National Stock Exchange of India Limited.

In wake of an application made by the Company pursuant to the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, the Company's equity shares have been delisted from the Calcutta Stock Exchange Limited with effect from 3rd July, 2015.

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

Risks Management is an integral part of Company's operating framework and is committed towards identifying key risks and managing them in a proactive and efficient manner. The Company periodically assesses both internal as well as external risks to which the Company is exposed to. Company, through its risk management system strives for timely identification, assessment, minimization and management of risks affecting the Company in the foreseeable future. Detailed discussion on Risk Management has been given as a part of Management Discussion & Analysis under the section 'Risks and Concerns', in the Report on Corporate Governance, which forms part of this Annual Report.

The Risk Management Policy of the Company, is available on the Company's website link at:
http://www.shalimarpaints.com/upload/investor_reports/Riskmanagment-Policy.pdf

Internal Financial Control

According to Section 134(5) (e) of the Companies Act, 2013 the term Internal Financial Control (IFC) means the policies and procedures adopted by the company 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.

The Company has adequate and comprehensive internal financial control system ensuring orderly, effective and efficient conduct of its business. Detailed discussion on internal control has been given as a part of Management Discussion & Analysis under the section 'Internal Control System', in the Report on Corporate Governance, which forms part of this Annual Report.

Audit Committee

As on 31st March, 2016, the Audit Committee of the Board of Directors of the Company comprised of Mr. Gautam Kanjilal, Mr. Rajiv Rajvanshi and Ms. Pushpa Chowdhary, under the Chairmanship of Mr. Gautam Kanjilal. During the F.Y. all the recommendations made by the Audit Committee were accepted by the Board and No recommendation is left which has not been accepted by the Board.

Whistle Blower Policy/Vigil Mechanism

In compliance with the provisions of Section 177 (9) and (10) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Company has adopted the Whistle Blower Mechanism for Directors and Employees, to report concerns about unethical behavior, actual or suspected fraud, or violation of the Companies code of conducts and ethics. There has been no change to the Whistle Blower Policy adopted by the Company during Fiscal Year 2016.

The Whistle Blower Policy of the Company, is available on the Company's website link at:
http://www.shalimarpaints.com/upload/investor_reports/Whistleblower-Policy.pdf

Extract of Annual Return
In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extracts of Annual Return of the Company in the prescribed Form MGT-9 is annexed as **'Annexure - E'** to this Report.

Significant and Material Orders
There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Particulars of Loans, Guarantees or Investments
Particulars of loans, guarantees and investments form part of Note no 2.11 to the Financial Statements provided in the Annual Report.

Related Party Transactions
All transactions entered into by the Company, during the year under review, with the Related Parties, as defined under the Companies Act, 2013, Rules framed thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were in the 'ordinary course of business' and 'on arm's length' basis. As such, provisions of Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules 2014, are not applicable to the Company during the year under review.

There has been no materially significant Related Party Transactions during the period under review, which would have any potential conflict with the interest of the Company. Your Company did not have any Related Party Transaction which required prior approval of the Shareholders. Necessary disclosures required under the Accounting Standards (AS-18) have been made in the Notes to Financial Statements.

The Related Party Transactions policy of the Company, is available on the Company's website link at:
http://www.shalimarpaints.com/upload/investor_reports/Related-Party-Transaction-Policy.pdf

Sexual Harassment of Women at Workplace
As required under the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 read with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Rules, 2013, an Internal Complaints Committee (ICC) with requisite number of representatives has been set up to redress complaints sexual harassment, if any.

The following is a summary of sexual harassment complaints received and disposed off during the year ended 31st March, 2016:

No. of Complaints received	:	Nil
No. of Complaints disposed off	:	Nil

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo
The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with Rule 8 of the Companies(Accounts) Rules, 2014 is annexed as **'Annexure-F'** to this Report.

Particulars of Employees
The information, as required to be provided in terms of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) & 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of Directors/ employees of your Company is set out in '**Annexure-G**' to this Report.

Corporate Governance
Corporate Governance is all about ethical conduct, openness, integrity and accountability of an enterprise. Good Corporate Governance involves a commitment of the Company to run the business in a legal, ethical and transparent manner and runs from the top and permeates throughout the organization. It involves a set of relationships between a company's management, its Board, shareholders and Stakeholders. It is a key element in improving the economic efficiency of the enterprise. Credibility offered by Corporate Governance helps in improving the confidence of the investors – both domestic and foreign, and establishing productive and lasting business relationship with all stakeholders is annexed as **'Annexure-H'** to this Report.

A certificate from M/s Mohit & Associates, Practicing Company Secretary, regarding compliance of the conditions of Corporate Governance, as stipulated under Schedule V of the Listing Regulations is attached as 'Annexure H' and forms part of this report. Certificate of the CEO/CFO, inter-alia, confirming the correctness of the financial statements, compliance

with Company`s Code of Conduct, adequacy of the internal control measures and reporting of matters to the auditors and the Audit committee in terms of Regulation 17 of the Listing Regulations is attached in the Corporate Governance report, and forms part of this report.

Management Discussion and Analysis

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report is set out in point number 11(eleven) of Corporate Governance Report is annexed as '**Annexure - H**' to this Report.

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the annual accounts for the year under review, the applicable accounting standards have been followed and there are no material departures;

(b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year i.e., as at 31st March, 2016 and of the profit of the Company for that period;

(c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors have prepared the annual accounts on a going concern basis;

(e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2015-16.

Industrial Relations and Personnel

Industrial relations remained cordial and satisfactory. Your Directors wish to place on record their deep sense of appreciation of the devoted services rendered by all officers, staff and workers of the Company.

Acknowledgements

The Directors would like to place on record their grateful appreciation of the co-operation and assistance received from the financial institutions, banks, investors, valued customers, valued suppliers, our employees, various government agencies and other business associates during the year under review.

The Directors value the trust shown by the shareholders in their ability to manage the Company. We expect that with the ongoing encouragement and support of our shareholders, we shall be successful in achieving the desired objectives in the near future.

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

	Surender Kumar	**Rajiv Rajvanshi**
Date : 1st September, 2016	Managing Director and CEO	Director
Place : New Delhi	DIN: 00510137	DIN: 00036605

'Annexure - A' to Board's Report

Disclosure in Directors report:

SHALIMAR STOCK OPTION 2013: STATUS AS ON 31.03.2016				
S. No	**Particulars**			**ESOP SCHEME 2013**
1	Number of Stock options granted			9,40,000
2	Pricing Formula			71.08
3	Option Vested			22,125
4	Number of Option exercised			17,875
5	Number of Shares arising as a result of exercise of option			NIL
6	Variation of terms of options			None
7	Number of option lapsed			7,52,000
8	Money realized upon exercise of options			NIL
9	Total number of option in force			1,88,000
10	(a)	Options granted to senior managerial personnel		NIL
	(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		NIL
	(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		NIL
11		(i)	Method of calculation of employee compensation cost	Intrinsic Value Method
		(ii)	Difference between the employee compensation cost so computed at 11(i) above and the employee compensation cost that shall have been recognized if it had used the fair value of the options (₹ In Lacs)	0.57
		(iii)	The impact of this difference on profits and on EPS of the Company	—
			Profit including extra-ordinary items, as reported (₹ In Lacs)	525.31
			Add: Employee stock compensation under intrinsic value method (₹ In Lacs)	8.94
			Less: Employee stock compensation under fair value method (₹ In Lacs)	8.37
			Pro-forma profit (₹ In Lacs)	525.88
			Earnings Per Share	
			Basic	
			As reported (including extra-ordinary items)	2.77
			Pro-forma	2.77
			Diluted	
			As reported (including extra-ordinary items)	2.75
			Pro-forma	2.75
12	a)	Weighted average exercise prices of option granted		71.08
	b)	Weighted average fair value of options granted on the date of grant		74.57
13		Method and significant assumptions used to estimate the fair values of options Black Scholes Valuation Model		
		(i)	Weighted average share price / Fair value of share	106.09
		(ii)	Exercise Price	71.08
		(iii)	Annual Volatility (Standard Deviation Annual)	69.57%
		(iv)	Time To Maturity - in years	4.7
		(v)	Dividend Yield	0.00%
		(vi)	Risk free Rate Annual	8.15%

'Annexure - B' to Board's Report

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 Lacs)

Name of the Subsidiary	Shalimar Adhunik Nirman Limited	Eastern Speciality Paints & Coatings Private Limited
Reporting Period	1st April, 2015 to 31st March, 2016	1st April, 2015 to 31st March, 2016
Reporting Currency	INR	INR
Share Capital	59.50	5.00
Reserves & Surplus	(2.21)	NIL
Total assets	721.20	5.16
Total liabilities	721.20	5.16
Investments	NIL	NIL
Turnover	NIL	NIL
Profit before taxation	(3.20)	NIL
Provision for taxation	(0.99)	NIL
Profit after taxation	(2.21)	NIL
Proposed Dividend	NIL	NIL
% of shareholding	99.99%	100%

Part "B": Associates and Joint Ventures - Not applicable

'Annexure - C' to the Board Report

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended On 31st March, 2016
(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of
The Companies (Appointment and Remuneration Personnel) Rules, 2014)

To,
The Members,
Shalimar Paints Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shalimar Paints Limited (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 Shalimar Paints Limited 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 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, 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 31st March, 2016 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

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

   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

   (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - Not applicable as the Company has not issued any debt securities which were listed during the year under review;

   (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client - Not applicable as the Company is not registered as Registrar to issue and Share Transfer Agent during the year under review;

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted / propose to delist its equity shares from any Stock Exchange during the year under review; and

   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 – Not applicable as the Company has not bought back or propose to buy back any of its securities during the year under review.

(vi) OTHER APPLICABLE ACTS,

   (a) Factories Act, 1948

   (b) Payment of Wages Act, 1936, and rules made thereunder,

   (c) The Minimum Wages Act, 1948, and rules made thereunder,

(d) Employees Provide Fund and rules made thereunder,

(e) The Employees Provident Fund and Miscellaneous Provisions Act, 1952, and rules made thereunder,

(f) The Payment of Bonus Act, 1965, and rules made thereunder,

(g) Payment of Gratuity Act, 1972, and rules made thereunder,

(h) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975

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

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015)

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (effective 1st December, 2015).

Company shares are no more listed at Calcutta Stock Exchange (CSE). The Company has applied to CSE for voluntary delisting in the year 2014 and CSE has issued Letter on 3rd July, 2015 intimating about delisting of shares.

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

Few observations, corrections and compliances were advised to the Company during the audit, which were diligently carried out by the Company under the review period itself.

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.

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 the company has come across the following major events:

I. The Company has obtained approval from the Ministry of Corporate Affairs (MCA), Government of India, with respect to payment of remuneration to Mr. Sameer Nagpal, ex-Managing Director of the Company for the period from 25/05/2014 to 31/03/2015. We have been informed that the Company shall approach the MCA seeking its approval for waiver of recovery of excess remuneration paid to Mr. Sameer Nagpal.

II. The Board of Director of the Company has appointed Mr. Surender Kumar, Whole Time Director, COO & CFO w.e.f. 30th May, 2015 and further Shareholders also approved his appointment at 113th Annual General Meeting held on 28th September, 2015. The Company has already approached the MCA seeking its approval for the remuneration paid to him and the application is under consideration.

III. The Board of Director of the company has, subject to approval of shareholders, increased the remuneration of Mr. Surender Kumar, Whole Time Director, COO & CFO on 7th November, 2015 with effect from 1st October, 2015. We have been informed that the Company shall approach the MCA seeking its approval for the said increase in remuneration post approval of shareholders at the next Annual General Meeting.

IV. The shifting of registered office of the company from West Bengal to state of Haryana Company is under process.

Surinder Vashishtha
For Surinder Vashishtha & Associates
Company Secretaries
C P No: 12313

Place: New Delhi
Date: 27.05.2016

Note: This report is to be read with letter of even date by the secretarial auditor, which is annexed as 'Annexure A' and forms an integral part of this report.

'Annexure A' of Secretarial Audit Report MR-3

To,
The Members,
Shalimar Paints Limited
CIN: L24222WB1902PLC001540
Goaberia, P.O. Danesh Shaikh Lane, Howrah-711109

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

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Surinder Vashishtha
For Surinder Vashishtha & Associates
Company Secretaries
C P No: 12313

Place: New Delhi
Date: 27.05.2016

'Annexure - D' to Board's Report

THE ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

I. BRIEF OUTLINE OF THE COMPANY'S CSR POLICY:

Sustainable practices have always been an integral part of our larger business strategy. Corporate Social Responsibility (CSR) is a large part of our overall sustainability policy, encompassing social, economic and environmental actions. The Company completely endorses reliability. It is committed to conduct business in a true, fair and ethical manner and takes up the responsibility to create a good impact in the society it belongs. Through the Company's Corporate Responsibility efforts, the Company aims to bring change that betters the quality of people's lives, particularly in and around the areas from which the Company operates. The Company seeks to undertake positive interventions that will have a measurable, long-term impact on the communities of which the Company is a part.

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.

At Shalimar Paints Limited, the CSR activities centre's around the following areas:

1. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water.
2. Vocational Training programmes to enhance the employability skills of the beneficiaries.
3. Promoting education, including special education and employment, especially among children, women, elderly and the differently-abled and livelihood enhancement projects.
4. Promoting gender equality, empowering women, setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.
5. Training to promote rural sports, nationally recognized sports, Para-Olympic sports and Olympic sports.
6. Contribution to the Prime Minister's National Relief Fund.
7. Rural Development Projects.

The detailed CSR Policy of the Company is available on the Company's website link at:
http://www.shalimarpaints.com/upload/investor_reports/Corporate%20Social%20Responsibility%20Policy.pdf

II. THE COMPOSITION OF THE CSR COMMITTEE:

The composition of the CSR Committee as on 12th August, 2016 is as follows:

Name	Designation
Mr. Surender Kumar, Chairman	Managing Director and CEO
Mr. Rajiv Rajvanshi, Member	Non Executive - Independent Director
Ms. Pushpa Chowdhary, Member	Non Executive - Independent Director

III. AVERAGE NET PROFIT/(LOSS) OF THE COMPANY FOR THE LAST 3 FINANCIAL YEARS: (₹ 310.70 Lacs)

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: NIL

(b) Amount unspent, if any: NIL

(c) Manner in which the amount spent during the financial year: N.A.

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	Overheads		
NIL								

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

This being the second year of implementation of the CSR policy. 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.

Surender Kumar
Managing Director and CEO
DIN: 00510137
Chairman, CSR Committee

'Annexure - E' to Board's Report

Form No. MGT-9
EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2016
[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	L24222WB1902PLC001540
ii)	Registration Date	16th December, 1902
iii)	Name of the Company	Shalimar Paints Limited
iv)	Category of the Company Sub-Category of the Company	Company Limited by Shares Indian Non-Government Company
v)	Address of the Registered office and contact details	Goaberia, P.O. Danesh Shaikh Lane, Howrah - 711109, West Bengal Tel. : 033 - 26443201 Email : hwhsec@shalimarpaints.com
vi)	Whether listed Company	Yes
vii)	Name, Address, Contact details of Registrar and Transfer Agents (RTA)	i) With effect from 1st July, 2015 MCS Share Transfer Agent Ltd 12/1/5, Manoharpukur Road, Kolkata - 700 026, West Bengal Tel.: 033-40724051 - 54 Email: mcssta@rediffmail.com (ii) Up to 30th June, 2015 MCS Limited77/2A, Hazra Road, Kolkata - 700 029, West Bengal Tel : 033-40724052, 24767350, Fax : 033-24541961 Email: mcskol@rediffmail.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	99.61%

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 Add: 9A, Cannaught 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 Add: Flat No. 3, 13, Dr. Sarat Banerjee Road, Kolkata, West Bengal – 700029	U24240WB2009PTC133081	Subsidiary	100%	Section 2 (87) of the Companies Act, 2013

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	Demat	Physical Shares	Total	% of Total	
A. Promoters									
(1) Indian									
a) Individual/HUF	265000	-	265000	1.40	265000	-	265000	1.40	0.00
b) Central Government	-	-	-	-	-	-	-	-	-
c) State Government	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	5666080	-	5666080	29.93	5666080	-	5666080	29.91	-0.03
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):-	**5931080**	**-**	**5931080**	**31.33**	**5931080**	**-**	**5931080**	**31.31**	**-0.03**
(2) Foreign									
a) NRIs – Individuals	30500	-	30500	0.16	30500	-	30500	0.16	0.00
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	5841570	-	5841570	30.86	5841570		5841570	30.83	-0.03
d) Banks / Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	**5872070**	**-**	**5872070**	**31.02**	**5872070**	**-**	**5872070**	**30.99**	**-0.03**
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	**11803150**	**-**	**11803150**	**62.36**	**11803150**	**-**	**11803150**	**62.30**	**-0.06**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	3298	-	3298	0.02	8711	-	8711	0.05	0.03
b) Banks / FI	1790	250	2040	0.01	-	-	-		-0.01
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	332750	-	332750	1.76	332750	-	332750	1.76	-
g) FIIs	540830	-	540830	2.86	527230	250	527480	2.78	-0.07
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**878668**	**250**	**878918**	**4.64**	**868691**	**250**	**868941**	**4.59**	**-0.06**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1660199	14080	1674279	8.85	1427081	14080	1441161	7.61	-1.24
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	3055208	475155	3530363	18.65	449625	3483265	3932890	20.76	2.11

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	Demat	Physical Shares	Total	% of Total	
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	871926	-	871926	4.61	625871	-	625871	3.30	-1.30
c) Others (specify)									
i. Trust	250	-	250	-	250	-	250	-	-
ii. Non Resident Individual	168804	410	169214	0.89	273302	410	273712	1.44	0.55
Sub-total (B)(2):-	**5756387**	**489645**	**6246032**	**33.00**	**2776129**	**3497755**	**6273884**	**33.11**	**0.12**
Total Public Shareholding (B)=(B)(1)+(B)(2)	**6635055**	**489895**	**7124950**	**37.64**	**3644820**	**3498005**	**7142825**	**37.70**	**0.06**
C. Shares held by Custodian for GDRs & ADRs	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Grand Total (A+B+C)	**18438205**	**489895**	**18928100**	**100.00**	**15447970**	**3498005**	**18945975**	**100.00**	**0.00**

(*) *The total number of shares has increased due to issuance of shares under ESOP during the financial year 2015-16*

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	30.86	-	5841570	30.83	-	-0.03
2	Hexa Securities and Finance Co.Ltd.	1500000	7.92	-	1500000	7.91	-	-0.01
3	Nalwa Sons Investments Ltd.	1372590	7.25	-	1372590	7.24	-	-0.01
4	Colarado Trading Co Ltd.	1224635	6.47	-	1224635	6.46	-	-0.01
5	Nalwa Investments Limited	1193855	6.31	-	1193855	6.30	-	-0.01
6	Jindal Equipment Leasing and Consultancy Services Ltd	102500	0.54	-	102500	0.54	-	0.00
7	Stainless Investments Ltd.	82500	0.44	-	82500	0.44	-	0.00
8	Sun Investments Limited	82500	0.44	-	82500	0.44	-	0.00
9	Prithvi Raj Jindal	72000	0.38	-	72000	0.38	-	0.00
10	Abhinandan Investments Ltd.	55000	0.29	-	55000	0.29	-	0.00
11	Mansarover Investments Ltd.	52500	0.28	-	52500	0.28	-	0.00
12	Sajjan Jindal	31000	0.16	-	31000	0.16	-	0.00
13	Ratan Jindal	30500	0.16	-	30500	0.16	-	0.00
14	Deepika Jindal	30000	0.16	-	30000	0.16	-	0.00
15	Sarita Devi Jain	20000	0.11	-	20000	0.11	-	0.00
16	Hina Devi Goyal	20000	0.11	-	20000	0.11	-	0.00
17	Kusum Mittal	20000	0.11	-	20000	0.11	-	0.00

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding 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	
18	S K Jindal and Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
19	Savitri Devi Jindal	12300	0.06	-	12300	0.06	-	0.00
20	Prithvi Raj Jindal & Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
21	Naveen Jindal & Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
22	Sminu Jindal	10500	0.06	-	10500	0.06	-	0.00
23	R. K. Jindal & Sons (HUF)	12300	0.06	-	12300	0.06	-	0.00
	Total	**11803150**	**62.36**	**-**	**11803150**	**62.30**	**-**	**-0.06**

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There is no change in Promoters' Shareholding.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs andADRs):

SL. No.	Name of the Shareholder	Shareholding		Date	Increase/ Decrease in Shareholding	Reason	Cumulative Shareholding during the year (1st April, 2015 to 31st March, 2016)	
		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	Matthews Emerging Asia Fund	525830	2.78	-	-	-	525830	2.78
2	Asha Mukul Agrawal	455464	2.41	19.06.2015	22986	Sale	432478	2.28
				17.07.2015	1217	Sale	431261	2.28
				24.07.2015	10000	Sale	421261	2.22
				16.10.2015	59569	Sale	361692	1.91
3	Assured Fin - Cap Pvt. Ltd	380825	2.01	-	-	-	380825	2.01
4	National Insurance Company Ltd.	332750	1.76	-	-	-	332750	1.76
5	Mathew Cyriac	161438	0.85	19.06.2015	161438	Sale	0	0.00
6	Ever Plus Securities and Finance Limited	150850	0.80	-	-	-	150850	0.80
7	Aggarwal Finlease Pvt. Ltd	137990	0.73	-	-	-	137990	0.73
8	Renuka Financial Services Ltd	113680	0.60	-	-	-	113680	0.60
9	Madhavan Kunniyur	101484	0.54	26.06.2015	28969	Sale	72515	0.38
				03.07.2015	42698	Sale	29817	0.16
				25.09.2015	29817	Sale	0	0.00
10	Kishan Gopal Mohta	100085	0.53	-	-	-	100085	0.53
11	Devang Avlani	70000	0.37	19.06.2015	34342	Purchase	104342	0.55
				30.06.2015	10000	Purchase	114342	0.60
12	Premier Investment Fund Limited	-	-	19.06.2015	61119	Purchase	61119	0.32
				26.06.2015	26940	Purchase	88059	0.46
				30.06.2015	12580	Purchase	100639	0.53
				06.11.2015	2917	Purchase	103556	0.55
				13.11.2015	7083	Purchase	110639	0.58

(v) Shareholding of Directors and Key Managerial Personnel

SL. No.	Name of the Directors and Key Managerial Personnel	Shareholding		Date	Increase/ Decrease in Share-holding	Reason	Cumulative Shareholding during the year (1st April, 2015 to 31st March, 2016)	
		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	Ratan Jindal	30500	0.16	01-04-2015	-	-	30500	0.16
				31-03-2016	-	-	30500	0.16
2	Sameer Nagpal (Re-signed w.e.f 30th May 2015)	2850	0.02	01-04-2015	-	-	2850	0.02
				19.06.2015	2041	Sale	809	0.00
				26.06.2015	300	Sale	509	0.00
				17.07.2015	309	Sale	200	0.00
				24.07.2015	13900	Purchase	14100	0.07

V. INDEBTEDNESS

(₹ in Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,979.05	-	-	12,979.05
ii) Interest due but not paid	19.49	-	-	19.49
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**12,998.54**	**-**	**-**	**12,998.53**
Change in Indebtedness during the financial year				
Addition	2,479.96	-	-	2,479.96
Reduction	1,734.62	-	-	1,734.62
Net Change	745.34	-	-	745.34
Indebtedness at the end of the financial year				
i) Principal Amount	13,704.90	-	-	13,704.89
ii) Interest due but not paid	17.99	-	-	17.99
iii) Interest accrued but not due	20.99	-	-	20.99
Total (i+ii+iii)	**13,743.88**	**-**	**-**	**13,743.88**

VI. 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. Sameer Nagpal, MD & CEO	Mr. Surender Kumar, WTD and COO & CFO	Total Amount
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11,33,667	84,36,480	95,70,147
	(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	33,000	3,13,560	3,46,560
	Non-taxable Reimbursements	-	-	-
	Total	**11,66,667**	**87,50,040**	**99,16,707**

Notes:

1. The performance linked variable pay is also included in the remuneration.
2. The Company has applied for and awaiting the requisite approval of the Central Government for payment of remuneration to Mr. Surender Kumar.

B. Remuneration to other directors

(Amount in ₹)

B1: Independent Directors				
Name of Independent Directors	**Fee for attending Board / committee meetings**	**Commission**	**Others, Specify**	**Total**
Ms. Pushpa Chowdhary	160000	-	-	160000
Mr. Rajeev Rajvanshi	120000	-	-	120000
Mr. Gautam Kanjilal(1)	80000	-	-	80000
Mr. Aditya Vikram Lodha (2)	NIL	-	-	NIL
Mr. Pujit Aggarwal (2)	NIL	-	-	NIL
Total B1	**360000**	**-**	**-**	**360000**
B2: Other Non-Executive Directors				
Name of Other Non-Executive Directors				
Mr. Girish Jhunjhnuwala	40000	-	-	40000
Mr. Ratan Jindal	80000	-	-	80000
Total B2	**120000**	**-**	**-**	**120000**
Total B=(B1+B2)	**480000**	**-**	**-**	**480000**

Notes:

1. Mr. Gautam Kanjilal was appointed as an Additional Director and Chairman of the Audit and Nomination and Remuneration Committee by the Board.
2. Mr. Pujit Aggarwal and Mr. Aditya Vikram Lodha, were ceased to be the Directors of the Company w.e.f 16th June 2015 and 7th November 2015 respectively.

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

Sl. No.	Particulars of Remuneration	Mr. Chandan Arora, Chief Financial Officer (resigned on 30th April 2015	Ms. Bernadette Dominic Company Secretary (appointed on 30th May, 2015 and resigned on 16th October, 2015)	Mr. Nitin Gupta (appointed on 1st February, 2016)	Total Amount (Rs)
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	8,08,333	2,02,440	1,12,467	11,23,240
	(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	25,000	7,560	4,200	36,760
	Non-taxable Reimbursements	-	-	-	-
Total		**8,33,333**	**2,10,000**	**1,16,667**	**11,60,000**

VII. Penalties / Punishment / Compounding of Offences

There were no penalties / punishment / compounding of offences for breach any section of Companies Act against the Company or its Directors or other officers in default if any during the year.

'Annexure - F' to Board's Report

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

Doing more with less – Shalimar Paints believes in conservation of energy and resources to help create a better tomorrow.

(I) The steps taken or impact on conservation of energy:

Shalimar Paints have manufacturing facilities at multiple locations. All these manufacturing facilities continued their efforts to reduce the specific energy consumption. Energy consumption is tracked on continues basis at individual factory level. In addition to the regular practices and measures for energy conservation, many new initiatives were driven across the manufacturing units. The measures taken at your Company's manufacturing units are summarized as below:

Process standardization, optimization and automation for making them energy efficient.

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:

- Capacitor bank reinforced to improve the power factor resulting in conservation of energy.
- Resin and Packaging plant design with gravity flow at Nasik Plant.
- Use of cooling water for faster temperature adjustment and lower cycle time.
- Proper insulation of thermo pack and cooling water line for minimum heat loss.
- Periodical monitoring of Vacuum line, Compressed Air line, Steam and thermo pack line for any kind of leakage and immediate repairs if any.
- Optimized mill base consistency during grinding process for efficient dispersion at lower energy and higher throughput.
- Standardized tip speed and improved agitator / cowl design that produce higher sheer and generate less heat for energy efficient dispersion process.
- Optimum grinding media to mill base ratio for enamels for energy efficient processing.
- Use of high pressure water jet for cleaning TSD and HSD for generating minimum quantity of wash water, most part of which is used in the product itself.
- In process of replacing fixed drive operation in case of TSD and HSD to Variable Frequency Drive (VFD's) for energy efficient operations.
- Replacement of conventional lamps at laboratory and office with LED or energy efficient lamps.
- Installation of LED at Chennai Plant.

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

- Solar based day light system at manufacturing plant and periodical cleaning of translucent sheets for optimal light inside plant during day time.
- Planning solar panels based energy efficient street lighting at plants.

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

The Company has not made any capital investment on energy conservation equipment during the financial year 2015-16.

(B) TECHNOLOGY ABSORPTION

(I) The efforts made towards technology absorption:

The Research and Development department (R&D) of our Company is carrying out the following activities to fulfil short term and long term business goals of your Company:

- In-house technology for both decorative and industrial product development and not collaborated or absorbed any outsourced or third party technology during the year under review.
- Continuous value engineering through various means such as formula modification, new and alternate RM use, vendor development.
- Import substitution and identification of new local counter raw materials for development.
- Development of new products and processes related to interior and exterior decorative coatings, Industrial protective and maintenance coatings and intermediates.
- Development of Resins and other polymeric intermediates for paints and coating.
- Development of Packaging and General Industrial coatings.
- Upgradation of existing product and processes to improve quality, reduce cost, save cycle time, energy consumption and overall operational efficiency.

- Optimization of products and processes to minimize waste generation and address environmental and safety concerns.
- Development of effective and efficient test methods to speed up testing of incoming raw materials.
- Undertaking collaborative development and testing projects with vendors, academia and institutes.

(II) The benefits derived like product improvement, cost reduction, product development or import substitution:

During financial year 2015-16, following new product upgrades were undertaken forbenchmarking, development, validation and soft launch.

- No 1 Primer for interior masonry surface upgrade.
- Super Shaktiman for Exterior masonry surface upgrade.
- No. 1 Silk Upgrade for interior finishing.
- No. 1 PAD Upgrade.
- Superlac High Gloss Enamel upgrade, White and bases, plus 20 direct shades.
- Superlac synthetic enamel upgrade, White and 15+ direct shades.
- GP Enamel upgrade, White and 28+ shades.
- Shalimar Zinc Chromate Primer Yellow developed and launched.
- Shalimar Zinc Chromate Primer Yellow Green, developed and launched
- Upgrade of IS2932 category enamels, 13+ shades.
- Development and certification of Solvent Free Epoxy Coating for potable water application.
- Development and certification of Bitumen coating for potable water application.
- Development of Surface tolerant self-priming anticorrosive coating.
- Development of Zinc Silicate fast drying primer with 60% volume solids.
- Development of coating system for LPG cylinders.
- Epiguard RCPF Finish special Blue and Red Brown for JSW.
- Lustrotherm HT 400 TO IS.13183 GR-II for BHEL.
- Following Decorative New Products developed for launched.
  a. Master Emulsion White and Bases
  b. Superlac Stay Clean Premium Emulsion, White and Bases
  c. Signature Luxury Premium Interior Emulsion, White and Bases
  d. WeatherPro Plus Premium Exterior Emulsion White and Bases

(III) Your Company has not imported any technology during last three years reckoned from the beginning of the financial year.

(IV) The expenditure incurred on Research and Development:

(₹ in Lacs)

Particulars	FY 2015-16	FY 2014-15
Capital	**NIL**	70.04
Recurring	**199.34**	129.86
Total	**199.34**	199.90

Your Company has accorded highest priority in making the entire premium range of decorative products environment friendly (Green). Programs are continuing to make the remaining products environment friendly and free from known toxic chemicals, wherever possible, without affecting performance and minimum or no cost impact. Your Company has also completed the mapping of toxicity levels of raw materials and identified measures to be taken to mitigate risk during handling, manufacture and application. These measures are under implementation across plants. Appropriate mechanism has been instituted to prevent use of toxic materials. In new product design, your Company is also looking for alternate manufacturing machineries to improve manufacturing efficiency w.r.t. cycle time, power consumption, waste reduction etc. A number of programs are undertaken in collaboration with R&D and manufacturing to design specific formulations Right First Time (RFT) and improving quality consistency.

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)
(Equivalent INR value of various currencies)

Particulars	FY 2015-16	FY 2014-15
Inflow	**5.1**	34.70
Outflow	**1604.4**	2795.80

ANNEXURE -'G' to Board'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. Sameer Nagpal (MD & CEO) and Mr. Surender Kumar (WTD and COO & CFO) to the median remuneration of employees 26.83:1 **Notes :** 1. Sitting fees paid to the Directors have not been considered under this clause 2. For calculation of median remuneration overall payout is considered which includes basic salary, allowances, contribution towards provident fund, statutory bonus and excludes gratuity and leave encashment.			
(ii)	The percentage increase in remuneration of each director, CFO, CEO, Company Secretary or Manager, if any ,in the financial year.	**KMP**	**Remuneration 2015-16 (₹)**	**Remuneration 2014-15 (₹)**	**Change in %**
		Mr. Surender Kumar , WTD, COO & CFO (Appointed on 30 May 2015)	87,50,040	--	NA
		Mr. Sameer Nagpal, Managing Director & CEO (Appointed on 25th May, 2013 and resigned on 30th May, 2015)	11,66,667	1,40,00,000	NA
		Mr. Chandan Arora, CFO (Appointed on 1st September, 2014 and resigned on 30th April, 2015)	8,33,333	--	NA
		Ms. Bernadette Dominic Company Secretary (Appointed on 30th May, 2015 and Resigned on 16th October, 2015)	2,10,000	--	NA
		Mr. Nitin Gupta Company Secretary (Appointed on 1st February, 2016)	1,16,667	--	NA
		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.	(-3.96%) 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.	660 Employees			
(v)	Explanation on the relationship between average increase in remuneration and company performance.	Average increase in remuneration: 3%(As per Market Norms) 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)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the company.	Your company has paid remuneration to Key Managerial Personnel as per market norms as your Company is committed in ensuring fair pay and healthy work environment for all its employees.			
(vii)	Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer	Variations in market capitalisation. - Market Capitalisation as at 31.03.2015: Rs 266.41 Cr. - Market Capitalisation as at 31/03/2016:Rs. 257.67 Cr. Variations in the PE Ratio PE Ratio as at 31.03.2015: N.A.* PE Ratio as on 31.03.2016: N.A. * Note: *EPS is positive for the financial year 2015-16 and negative for the financial year 2014-15. Percentage increase over decrease in the market quotations of the shares of the company incomparison to the rate at which the company came out with the last public offer: 70.37% (Closing share price on National Stock Exchange of India Limited has been used for above calculations. This does not consider the bonus shares issues, if any, after initial public offer.)			

Relevant Clause u/r 5(1)	Prescribed Requirement	Details
(viii)	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 3% which is in line with the average increase of 3% 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.
(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company	Covered in sub clause vi above.
(x)	The key parameters for any variable component of remuneration availed by the directors	None of the Directors of your company has availed any variable component of remuneration during the year.
(xi)	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;	There is no employee of the company who received remuneration in excess of the highest paid director during the year.
(xii)	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.

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. Details of employees, employed throughout the financial year 2015-16, was in receipt of remuneration for that year which in aggregate, was not less than sixty lakh rupees

Name	Designation	Remuneration received	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Mr. Surender Kumar	WTD and COO & CFO	87,50,041	CA (ICAI)	25 years	30-May-15	51	Tega Industries Ltd.

2. Details of employees, employed for a part of the financial year 2015-16, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than five lakh rupees per month:

Name	Designation	Remuneration received	Qualification	Experience (years)	Joining Date	Age (years)	Last employment
Mr. Sameer Nagpal	MD & CEO	11,66,667	PGDBM (IIM C)	25 years	18-Mar-13	47	Ingersoll Rand
Mr. Chandan Arora	CFO	8,33,333	MBA (Finance)	18 years	01-Sep-14	38	Diebold Systems Pvt Ltd.

Notes:

1. None of the employees mentioned above is related to any Director of the Company within the meaning of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
2. None of the employees who were employed throughout the financial year ended March 31, 2016 or part thereof, were in receipt of remuneration for that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director.
3. None of the employees mentioned above hold more than 2% of the shares of your company, along with their spouse and dependent children.
4. Remuneration includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.
5. All appointments are contractual and terminable by notice on either side.

'Annexure - H' to Board's Report

REPORT ON CORPORATE GOVERNANCE

Corporate Governance is the system by which corporate entities are directed and controlled. It provides the structure through which the company's objectives are set, and provides the means of attaining those objectives including monitoring of performance. It is the application of best management practices, compliance of law, adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for the sustainable development of all stakeholders. The essence of good Corporate Governance includes, inter-alia, transparency of corporate structures and operations, the accountability of managers and the Board to shareholders, and corporate responsibility towards stakeholders

Shalimar beholds Corporate Governance measures as an integral part of business strategy which adds to considerable internal and external values and contributes to the business growth in ethical perspective. Besides complying with the prescribed corporate practices as per SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Company has voluntarily adopted various practices of governance conforming to highest ethical and responsible standard of business, globally benchmarked.

1. Company's Philosophy on Code of Governance

Transparency and accountability are the two basic tenets of Corporate Governance. At Shalimar, we feel proud to belong to a Company whose visionary founders laid the foundation stone for good governance long back and made it an integral principle of the business, as demonstrated in the words above.

Responsible corporate conduct is integral to the way we do our business. Our actions are governed by our values and principles, which are reinforced at all levels within the Company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislation. Our Code of Business Principles is an extension of our values and reflects our continued commitment to ethical business practices across our operations. We acknowledge our individual and collective responsibilities to manage our business activities with integrity. Our Code of Business Principles inspires us to set standards which not only meet applicable legislation but go beyond in many areas of our functioning.

Corporate Governance philosophy is put into practice at Shalimar through the following four layers, namely:

- Governance by Shareholders,
- Governance by Board of Directors
- Governance by Sub-committees of Board, and
- Governance through management process

To succeed, we believe, requires highest standards of corporate behaviour towards everyone we work with, the communities we touch and the environment on which we have an impact. This is our road to consistent, competitive, profitable and responsible growth and creating long term value for our shareholders, our people and our business partners. The above principles have been the guiding force for whatever we do and shall continue to be so in the years to come.

2. Board of Directors

Composition

The Board of Directors ('the Board') is responsible for and committed to sound principles of Corporate Governance in the Company. The Board plays a crucial role in overseeing how the management serves the short and long term interests of shareholders and other stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board. We keep our governance practices under continuous review and benchmark ourselves to best practices across the globe.

The Composition of the Board is in compliance with the provisions of Section 149 (4) of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Board of Directors of the Company has an optimum combination of Executive, Non-Executive and Independent Directors with a promoter non-executive Director as its Chairman.

As on 31st March, 2016, the Board of Directors of the Company comprised of six Directors, two of whom being promoters (Non-Executive Directors) and one Executive Director. The remaining three being Non-Executive, Independent Directors, including one woman Director.

During the year under Review, Mr. Pujit Aggarwal and Mr. Aditya Vikram Lodha, were resigned from the Directorship of the Company w.e.f 16th June 2015 and 7th November 2015 respectively.

Mr. Gautam Kanjilal was appointed as an Additional Director, in Independent category with effect from 7th November, 2015.

Mr. Sameer Nagpal, Managing Director and CEO, had resigned from the Board of the Company with effect from 30th May, 2015 and Mr. Surender Kumar, was appointed as the Whole-time Director and Chief Operating Officer & Chief Financial Officer by the Board of Directors of the Company in its meeting held on 30th May, 2015.

Mr. Surender Kumar, was re-designated as CEO of the Company w.e.f 1st April 2016 and further re-designated as Managing Director and CEO of the Company w.e.f 12th August, 2016.

Mr. Girish Jhunjhnuwala has resigned from the Chairmanship and Directorship of the Company w.e.f 12th August, 2016.

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

The Composition of the Board as on 31st March, 2016 and the requisite information, according to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are provided below:

Name of Director	DIN	Category	No. of other Directorships (1)	As on 31st March, 2016	
				Membership and Chairmanship of Committees of the Board of other Companies (2)	
				Member	Chairman
Promoter Directors					
Mr. Girish Jhunjhnuwala	01093551	Chairman-Non Executive Director	-	-	-
Mr. Ratan Jindal	00054026	Non Executive Director	7	-	-
Executive Director					
Mr. Surender Kumar	00510137	Whole Time Director and COO & CFO	-	-	-
Non-Executive Independent Directors					
Mr. Gautam Kanjilal	03034033	Independent Director	2	2	1
Ms. Pushpa Chowdhary	06877982	Independent Director	-	-	-
Mr. Rajeev Rajvanshi	00036605	Independent Director	9	-	-

(1) Directorships held by the Directors as mentioned above do not include directorship held in Shalimar Paints Limited, foreign companies, private limited, companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013.

(2) Committees considered for the purpose are those prescribed under SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 i.e. Audit Committee and Stakeholders Relationship Committee of Indian Public Limited Companies other than Shalimar Paints Limited. Committee membership details provided do not include chairmanship of committees as it has been provided separately.

(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 except the following, held equity shares in the Company as on 31st March, 2016:

Mr. Ratan Jindal 30,500 equity shares

Appointment/ Re-appointment of Directors

Mr. Surender Kumar, who was appointed as Whole-time Director and Chief Operating Officer (COO) and Chief Financial Officer (CFO) was re-designated as CEO of the Company w.e.f 1st April, 2016. Further, Mr. Kumar was re-designated as Managing Director and CEO of the Company w.e.f 12th August, 2016.

Mr. Girish Jhunjhnuwala, Chairman of the Company has resigned from the Chairmanship and Directorship of the Company w.e.f 12th August, 2016. The Board placed on record their sincere appreciation for the guidance and contribution made by him during his tenure on the Board.

Mr. Ratan Jindal, Non-Executive, Non-Independent Director is liable to retire by rotation at the ensuing Annual General Meeting (AGM) pursuant to the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of the Company and he has shown his unwillingness to be re-appointed at the ensuing Annual General Meeting.

Mr. Gautam Kanjilal was appointed as an Additional Director by the Board of Directors of the Company at its meeting held on 7th November, 2015 and will vacate the office at the ensuing Annual General Meeting. A notice in writing has been received from the member of the Company in terms of Section 160 of the Company Act, 2013, signifying the intention to propose the appointment of Mr. Gautam Kanjilal as a Director of the Company.

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

Detailed profile and other information as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, of the aforesaid proposed appointees are provided in the Notice of the ensuing Annual General Meeting.

Board Meetings and Annual General Meeting

During the financial year 2015-16, four meetings of the Board of Directors were held i.e. on 30th May 2015, 20th July 2015, 7th November, 2015, 1st February, 2016. The last Annual General Meeting (AGM) of the Company was held on 28thSeptember, 2015. The necessary quorum was present for all the meetings.

Details of attendance of Directors at the Board Meetings held during the financial year 2015-2016 and at the last AGM are as follows:

Name of Director	Number of Board Meetings Attended (Total held during tenure)	Attendance at the last AGM
Mr. Girish Jhunjhnuwala	2 (4)	Absent
Mr. Ratan Jindal	4 (4)	Absent
Mr. Surender Kumar	4(4)	Attended
Mr. Gautam Kanjilal (1)	1 (1)	N.A.
Mr. Rajiv Rajvanshi	3 (4)	Absent
Ms. Pushpa Chowdhary	4 (4)	Absent
Mr. Sameer Nagpal (2)	None	N.A.
Mr. Pujit Ravikiram Aggarwal (3)	None (1)	N.A.
Mr. Aditya Vikram Lodha (4)	None (2)	Absent

1. Mr. Gautam Kanjilal was appointed as Additional Director of the Company w.e.f 7th November, 2015.
2. Mr. Sameer Nagpal was resigned from the Directorship of the Company w.e.f 30th May, 2015.
3. Mr. Pujit Ravikiran Aggarwal was resigned from the directorship of the Company w.e.f 16th June 2015.
4. Mr. Aditya Vikram Lodha was resigned from the Directorship of the Company w.e.f 7th November, 2015.

Independent Directors

As mandated by Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Independent Directors of SHALIMAR PAINTS LIMITED:

(i) All are people of integrity and possesses relevant expertise and experience;

(ii) Are not promoters of the company its holding, subsidiary or associate company;

(iii) Are not related to promoters or directors of the company its holding, subsidiary or associate company;

(iv) Apart from receiving their remuneration, has no material pecuniary relationship with the company, its holding, subsidiary or associate company, or its promoters, or directors, during the two immediately preceding financial years or during the current financial year;

(v) Neither the Independent Directors nor any of their relatives has pecuniary relationship or transaction with company, its holding, subsidiary or associate company, or its promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed from time to time, whichever is lower, during the two immediately preceding financial years or during the current financial year;

(vi) Neither the Director nor any of their relatives —

A. Holds or has held the position of a key managerial personnel or is or has been an employee of the Company, its holding, subsidiary or associate Company in any of the immediately preceding three financial years or in the current financial year;

B. Is or has been an employee or proprietor or a partner, in any of the immediately preceding three financial year of—

1) a firm of auditors or company secretaries in practice or cost auditors of the Company or its holding,

subsidiary or associate company; or

2) any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

C. Holds two percent or more of the total voting power of the Company; or

D. Is a chief executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts or corpus from Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two percent or more of the total voting power of the Company;

E. Is a material supplier, service provider or customer or a lessor or lessee of the company;

(vii) Who is not less than 21 years of age.

During the financial year 2015-16, in compliance with the provisions of Sections 149, 150 and 152, read with Schedule IV and other applicable provisions of the Companies Act, 2013 and relevant Rules made there under Mr. Gautam Kanjilal was appointed as Independent Director by the Board of Directors of the Company in their meeting held on 7th November, 2015 to hold office for a term of 3 (three) consecutive years with effect from the mentioned date.

The Independent Directors have submitted declarations that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a statement in this regard forms part of the Board's Report. The Company has issued letter of appointment to all Independent Directors. The terms and conditions of their appointment are available on the Company's website at www.shalimarpaints.com.

In compliance with the provisions of Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors of the Company met separately on 1st February 2016 without the presence of any Non-Independent Director and members of the Management.

Board Procedures

The Board Meetings are held within forty-five days of end of each quarter (other than the last quarter) and within sixty days of the end of the financial year in the manner that it coincides with the announcement of quarterly and financial results. The Board Meetings are governed by structured agenda. The agenda along with comprehensive notes and background material are circulated well in advance before each meeting to all the Directors for facilitating effective discussion and decision making. 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 has complete access to the relevant information of the Company and to all the employees of the Company. The details of information as per provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are shared on a regular basis with the Board along with other specific information.

Code of Conduct

The Company has adopted the Code of Conduct for the members of the Board and Senior Management Personnel of the Company. The Code is available on the Company's website www.shalimarpaints.com.

A declaration signed by Mr. Surender Kumar, Whole-time Director and CEO of the Company, pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, regarding receipt of affirmation from all the members of the Board and Senior Management Personnel regarding compliance with Code of Conduct of the Company during the year under review is attached.

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.

Disclosures of Accounting Treatment

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards notified Section 133 of the Companies Act, 2013 ("the Companies Act"). The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

Training of Directors

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.

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 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 them to familiarize with the Company's procedures and practices.

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.

Familiarization Program

The Company has a well-structured familiarization, induction and training program for the new appointees on the Board. The Company through such programs provides them with an opportunity to familiarize with the Company, its management, its operations, the business model of the Company, the industry in which the Company operates, their roles, rights and responsibilities in the Company. They are also informed about the policies of the Company including the Code of Conduct for the Board Members and Senior Management Personnel and the Code of Conduct to regulate, monitor and reporting of trading by insiders etc.

The Directors are given periodic presentation in the Board and Committee meetings in order to provide details on the business and performance updates, Company's strategy and operating plans, product offerings, finance and risk management system etc.

The detailed familiarisation program for Independent Directors is available on the Company's website www.shalimarpaints.com.

3. Audit Committee

The Company's Board has a qualified and Independent Audit Committee. The Committee was reconstituted on 7th November, 2015. As on 31st March, 2016, the Committee comprised of three Non-Executive Independent Directors, under the Chairmanship of Mr. Gautam Kanjilal. The Composition of the Audit Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company Secretary acts as the Secretary of the Committee.

The Committee met four times during the year under review, i.e., on 30th May 2015, 18th July 2015, 7th November 2015 and 1st February, 2016. The attendance of the members of the Committee is given below:-

Name of the Member	Category	No. of Meetings attended (total held during the tenure)
Mr. Gautam Kanjilal (Chairman)(1)	Independent Director	1 (1)
Mr. Rajiv Rajvanshi(2)	Independent Director	3 (4)
Ms. Pushpa Chowdhary	Independent Director	4 (4)
Mr. Pujit Ravikiran Aggarwal(3)	Independent Director	None (1)
Mr. Aditya Vikram Lodha(4)	Independent Director	None (3)

(1) Appointed as the Chairman of the Committee by the Board w.e.f 7th November, 2015.
(2) Ceased to be Chairman of the Committee w.e.f 7th November, 2015.
(3) Ceased to be member of the Committee by the Board w.e.f 16th June 2015.
(4) Ceased to be the Member of the Committee by the Board w.e.f7th November, 2015.

The terms of reference of the Audit Committee of the Company are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 177 of the Companies Act, 2013.

4. Nomination and Remuneration Committee

The Committee believes that recruitment, motivation and retention of outstanding senior leadership are crucial to promoting a robust future for the Company. Therefore, the Committee has adopted a detailed process to ensure that the Board selects, motivates and retains the right candidature for senior leaderships, positions in keeping with the policy devised on Board diversity.

As on 31st March, 2016, the Committee comprised of three Non-Executive 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company Secretary acts as the Secretary of the Committee.

The Committee met four times during the year under review, i.e., on 30th May 2015, 3rd July 2015, 12th November 2015 and 1st February, 2016. The attendance of the members of the Committee is given below:

Mr. Gautam Kanjilal (Chairman) (1)	Independent Director	2 (2)
Mr. Rajiv Rajvanshi (2)	Independent Director	3 (4)
Ms. Pushpa Chowdhary	Independent Director	4 (4)
Mr. Aditya Vikram Lodha (3)	Independent Director	0 (2)

(1) Appointed as the Chairman of the Committee w.e.f 7th November, 2015.
(2) Ceased to be member of the Committee w.e.f 7th November, 2015.
(3) Ceased to be Member of the Committee by the Board on 7th November, 2015.

The terms of reference of the Nomination and Remuneration Committee of the Company are in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Section 178 of the Companies Act, 2013.

In accordance with the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Committee has been entrusted with the power and responsibilities to administer and monitor the ESOP Scheme, formulating the various terms and conditions under the scheme, decide on future grants, allot shares upon exercise of options and to do all such acts relating to stock options.

Nomination and Remuneration Policy

The Nomination and Remuneration Policy of the Company is posted on the Company's website link at:

http://www.shalimarpaints.com/upload/investor_reports/Nomination%20and%20Remuneration%20Policy.pdf

Details of the Remuneration to Directors during the Financial Year 2015-16

All the non-executive Directors are being paid sitting fees for attending meetings of the Board and Committees thereof. The Executive Director is being paid remuneration as approved by the Shareholders of the Company and subject to the approval of the Central Government.

The details of sitting fees paid to the non-executive directors during the financial year 2015-16 are given below:-

Name of Director	Sitting Fees (Rs)
Mr. Girish Jhunjhnuwala	40,000
Mr. Ratan Jindal	80,000
Mr. Aditya Vikram Lodha	NIL
Mr. Pujit Aggarwal	NIL
Ms. Pushpa Chowdhary	1,60,000
Mr. Gautam Kanjilal	80,000
Mr. Rajeev Rajvanshi	1,20,000

The details of remuneration paid to Mr. Surender Kumar, Whole Time Director and COO & CFO 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. Surender Kumar	26,13,000	58,23,481	3,13,560	87,50,041	Attain the age of superannuation / retirement which is 60 years	Three months notice by either party
Mr. Sameer Nagpal	2,75,000	8,58,667	33,000	11,66,667	Three years with effect from 25th May 2013	Three months notice by either party

Note:
1. Mr. Surender Kumar has appointed as Whole Time Director and COO & CFO of the Company w.e.f. 30th May, 2015.
2. Mr. Surender Kumar was re - designated as CEO of the Company w.e.f 1st April, 2016.
3. Mr. Surender Kumar was re-designated as Managing Director and CEO of the Company w.e.f 12th August, 2016.

5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee has the mandate to review and redress shareholder grievances. The composition of the Stakeholders Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Stakeholders Relationship Committee of the Board of Directors of the Company is comprised of Mr. Rajiv Rajvanshi, Mr. Gautam Kanjilal and Ms. Pushpa Chowdhary under the Chairmanship of Mr. Rajiv Rajvanshi. Ms. Bernadette Dominic, Company Secretary of the Company was designated as Compliance Officer till the date of her resignation w.e.f. 16th October, 2015. Mr. Nitin Gupta, Company Secretary, has been designated as Compliance Officer w.e.f. 1st February, 2016.

The details of the complaints, excluding correspondences which are not in the nature of complaints, are given below:-

No. of complaints pending as on 1st April, 2015	Nil
No. of complaints received during the year	21
No. of complaints redressed during the year	21
No. of complaints pending as on 31st March, 2016	Nil

It is the policy of the Company to promptly attend to and resolve the complaints received from the shareholders.
The Board of Directors of the Company has delegated the power of transfer and transmission of shares to the Registrar and Share Transfer Agents of the Company who are attending these transfer formalities fortnightly, under the overall supervision of the Company's Secretarial Department.

6. Corporate Social Responsibility (CSR) Committee

While aiming to generate maximum profit for our shareholders through the year, we also keep a steadfast eye on our social and environmental responsibilities, to fulfill the needs and expectations of the larger society that we are part of. Our CSR is not limited to philanthropy, but encompasses holistic community development, institution – building and sustainability - related initiatives.

The CSR Committee was set up to formulate and monitor the CSR policy of the Company. The CSR Committee adopted the policy that intends to strive for economic development that positively impacts the society at large with a minimal resource footprint; and to be responsible for the Company's actions and encourage a positive impact through its activities on the environment, communities and stakeholders.

As on 31st March, 2016, the Committee comprised of three members namely Mr. Surender Kumar, Mr. Rajiv Rajvanshi and Ms. Pushpa Chowdhary under the Chairmanship of Mr. Surender Kumar.

The Company's Corporate Social Responsibility Policy is available on the Company's website at www.shalimarpaints.com.

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, 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:

i) The Audit Committee reviews the Financial Statements of the subsidiary companies, on a quarterly basis.

ii) 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 non-listed Indian subsidiary.

The Company's Policy on Material Subsidiaries is available on the Company's website at www.shalimarpaints.com.

8. CEO/CFO Certification

As required under SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, Mr. Surender Kumar, Whole-time Director and CEO 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.

Company's website:

The website of the Company is www.shalimarpaints.com contains all relevant information about the Company the Annual Report, Shareholding Pattern, 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:-

For the Financial year	Date of AGM	Time	Venue	No. of Special Resolutions
2014-15	28.09.2015	12.00 Noon	The Lake Land Country Club, Kona Expressway, P.O. Munshidanga, P.S. Domjur, Howrah-711403	1
2013-14	26.09.2014	12.00 Noon	The Lake Land Country Club, Kona Expressway, P.O. Munshidanga, P.S. Domjur, Howrah-711403	4
2012-13	06.08.2013	11.00 A.M.	Goaberia, P.O. Danesh Shaikh Lane, Howrah-711 109	4

During the year under review, the Company has passed the Special Resolution for shifting of Registered Office of the Company from the State of West Bengal to the State of Haryana, through Postal Ballot. The result of which was declared on 15th March 2016.

10. Disclosure

There were no materially significant related party transactions i.e. transactions of material nature made by the Company with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The requisite disclosure on 'Related Party Transactions' pursuant to Accounting Standard 18 has been given in Note No. 2.39 of Notes to the Accounts. The Company has adopted a Policy on Related Party Transaction which is posted on the Company's website at www.shalimarpaints.com.

No strictures or penalties have been imposed on the Company by the Stock Exchanges or the Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital market during the last three years.

The Company has established a Vigil Mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. This mechanism provides adequate safeguards against victimization of whistle blower who avails of the mechanism and it also provides direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy has been uploaded on the Company's website at www.shalimarpaints.com. During the year under report, there has been no incidence reported under Vigil Mechanism and no personnel has been denied access to the audit committee.

The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015. The Company has also adopted non-mandatory requirement viz. the Company has moved towards a regime of unqualified financial statements.

11. Management Discussion and Analysis

Industry Structure and Development

The Indian paint industry has been witnessing a gradual shift in the preferences of people from the traditional whitewash to higher quality paints like emulsions and enamel paints, which is providing the basic stability for growth of Indian paint industry. Besides, it is creating a strong competitive market, where players are utilizing different strategies to tap the growing demand in the market for a larger share.

The Company is present in Coatings and Specialty Chemicals segments. The decorative paint market is segmented into high and medium end acrylic exterior and interior emulsions and enamel paints, low end distempers, wall putty, primers, cement paints, and wood coatings. They can also be broadly categorised into water and solvent based paints. The rural sector in India has a major share of decorative paints segment. Thus any benefit to the rural sector for improving the dispensable income is directly co-related to the growth of the paint industry.

Decorative Paints account for a major part of the industry. The main drivers for the growth of this sector have been shortening of the repainting cycle and increased demand from smaller towns. Another important driver for demand of Decorative paints is the new homes backed by easy availability of finance.

Industrial Paints is essentially a B2B business and is technology intensive with a diverse set of growth drivers, which include key customer relationships, sustained focus on R&D and innovation and strong emphasis on selling a solution rather than a product.

In Specialty Chemicals segment, the Company operates in Polymer Chemistry and Surface Chemistry businesses, which cater to oil & gas, personal care and agrochemical industries.

Industry Outlook

As per the analysis, Indian paints industry by value and volume, is expected to grow at a CAGR of around 12% during 2016-17 to 2021-22 in value terms. Our research is an outcome of extensive primary & secondary research, where industry trends are being identified.

Further, decorative paints have the maximum demand. The Company will enhance capacity in phases taking advantage of its multiple locations all over India, introduce new products, strengthen servicing capabilities and bolster logistics, distribution and storage capability.

Opportunities and Threats

Paint Industry in India is driven by growth not only in construction activities but also in automotive industry. 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 forgrowth.

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, growth in automobile industry, increase in disposable income, increased government expenditure on infrastructure.

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.

Risk and Concerns

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

The paint sector is raw material intensive, with over 300 raw-materials (50% petro-based derivatives) involved in the manufacturing process. Since most of the raw materials are petroleum based, the industry is sensitive to crude oil prices. Another concern is that the demand for paint, being a discretionary expenditure, is typically hurt during periods of inflation.

Further, as the growth of Paint Industry is aligned with the growth of economy, any sluggish economic growth may adversely impact the business of the Company. Similarly, depreciating rupee may also impact the profitability of your company. However, recent softening of oil prices would reduce the raw material cost thereby boost up your company's financial performance.

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 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 implementing and monitoring the internal control environment.

Financial Performance

The financial year 2015-16 had been a challenging year for us. The Company reported net revenue from operations & other income of ₹ 40322.67 lacs as against ₹ 43501.14 lacs during FY 2014-15. The Company is consolidating its position and it will lead to improvement in its bottom-line. New products were launched in the decorative paint segment in the interior as well as exterior paint category. The industrial paint segment also saw the addition of new product categories.

Segment-wise or product wise performance

The Company offers an extensive range of Decorative and Industrial paint products for interior and exterior segments. The portfolio of the Company spans across product categories and price points catering to a wide variety of consumers

The Company is consolidating its presence in the consumer business to emerge as a strong contender in the Indian Paint Industry. During the year, the Company launched six products in the decorative segment to widen its product

base. The new launches included quite a few premium and luxury products in the Interior as well as exterior paint category namely Signature – interior luxury emulsion, Superlac Stay Clean – interior premium acrylic emulsion and Weather Pro+ an exterior super premium acrylic emulsion. In the economy segment the company launched Mela Distemper pouch. It also launched improvised versions of its two enamels namely SPHE (Superlac Premium Hi-gloss Enamel and GP Enamel. Today, Shalimar Paints has a robust product range comprising of Emulsions, Enamels, Distempers, Wood finishes, Cement Paints and Floor Coatings.

In the Industrial Products segment, the Company has introduced new product categories during the Financial Year 2015-16, key categories being Single Pack DT – Primer cum Topcoat, Low Cost Zinc Silicate for Projects, High Build Quick Drying Coal Tar Epoxy, Solventless Epoxy Costing For Pipe Industries, Quick drying Single pack Paint for Cylinder Industries, Black and Clear Bitumen Varnish and Stoving Paint for Hair Clip.

HR Initiatives

The company truly believes that employees are the most important asset in any organisation. Therefore, Shalimar provides a workplace where employees can fully demonstrate their skills and capabilities and thereby maximize their potential to the fullest.

The company's recruitment policy is to select applicants according to their capability, competence and relevant experience based on a fair recruitment process. Keeping this philosophy in mind, the talent pool of the organisation was enriched during the year in order to achieve the organisational goals. Induction process was revisited and strengthened besides a rigorous product training module for all new joinees.

At Shalimar, communication between management and employees is strongly encouraged as a means of sharing the company's Management Philosophy and policies. There are open platforms wherein two-way communication takes place with the management regarding the employees concerns and grievances. The company is committed to the comprehensive health management of its employees and a lot of initiatives were taken during the year to sensitize the employees towards their health and safety through the EHS scheme.

12. Means of Communication

The quarterly and annual results are generally being published in Financial Express in English language and in local Bengali newspaper and are also posted on the Company's website www.shalimarpaints.com.

The Company has not made any presentation to institutional investors or analysts during the year under review.

13. General Shareholder Information:

a) As indicated in the Notice dated 1st September, 2016, the 114th Annual General Meeting of the Company will be held on 28th September, 2016 at 11:00 A.M. at Galaxy Hotel Shopping & Spa, NH-8, Sector 15, Part – II, Gurgaon – 122001.

b) The Register of Members and Share Transfer Books of the Company will remain closed from Thursday 22nd September, 2016 to Wednesday 28th September, 2016 both days inclusive.

c) Financial Calendar: The unaudited/audited financial results of the Company for the following quarters ending/year ending will be published on or before the dates mentioned against the respective period:

For the Quarter ending 30th June, 2016 (Unaudited) : 14th August, 2016
For the Quarter ending 30th September, 2016 (Unaudited) : 14th November, 2016
For the Quarter ending 31st December, 2016 (Unaudited) : 14th February, 2016
For the year ending 31st March, 2017 (Audited) : 30th May, 2017

d) The Shares of the Company are listed with the following Stock Exchanges with the stock code mentioned there against:

Stock Code

1.	The Calcutta Stock Exchange Limited* 7, Lyons Range, Kolkata - 700 001	10029193
2.	BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	509874
3.	National Stock Exchange of India Ltd. 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.

*The Company has since received a letter dated 2nd July, 2015 from the Calcutta Stock Exchange Limited (CSE), approving voluntarily delisting of the Company's shares from CSE with effect from 3rd July, 2015, as applied for by the Company vide its letter dated 30th May, 2014 under the Securities & Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

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 2015	163.90	133.30	164.00	133.00
May 2015	149.70	128.00	149.00	130.50
June 2015	140.10	105.90	139.70	108.00
July 2015	149.00	121.00	147.70	120.10
August 2015	142.40	105.00	142.50	101.25
September 2015	110.10	94.10	111.50	95.10
October 2015	129.30	100.70	128.90	102.95
November 2015	148.70	107.00	149.00	96.95
December 2015	150.50	130.00	151.00	130.55
January 2016	146.90	105.30	146.70	107.00
February 2016	134.00	88.70	134.10	88.70
March 2016	116.40	106.40	117.00	106.00

So far as monthly high and low quotations on the Calcutta Stock Exchange Limited are concerned, there was no trading during the year under review.

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 Shares price		BSE Sensex	
	High	Low	High	Low
April 2015	163.90	133.30	29,094.61	26,897.54
May 2015	149.70	128.00	28,071.16	26,423.99
June 2015	140.10	105.90	27,968.75	26,307.07
July 2015	149.00	121.00	28,578.33	27,416.39
August 2015	142.40	105.00	28,417.59	25,298.42
September 2015	110.10	94.10	26,471.82	24,833.54
October 2015	129.30	100.70	27,618.14	26,168.71
November 2015	148.70	107.00	26,824.30	25,451.42
December 2015	150.50	130.00	26,256.42	24,867.73
January 2016	146.90	105.30	26,197.27	23,839.76
February 2016	134.00	88.70	25,002.32	22,494.61
March 2016	116.40	106.40	25,479.62	23,133.18

(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 Shares price		NSE Nifty	
	High	Low	High	Low
April 2015	164.00	133.00	8844.8	8144.75
May 2015	149.00	130.50	8489.55	7997.15
June 2015	139.70	108.00	8467.15	7940.3
July 2015	147.70	120.10	8654.75	8315.4
August 2015	142.50	101.25	8621.55	7667.25
September 2015	111.50	95.10	8055	7539.5
October 2015	128.90	102.95	8336.3	7930.65
November 2015	149.00	96.95	8116.1	7714.15
December 2015	151.00	130.55	7979.3	7551.05
January 2016	146.70	107.00	7972.55	7241.5
February 2016	134.10	88.70	7600.45	6825.8
March 2016	117.00	106.00	7777.6	7035.1

g) MCS Share Transfer Agent Ltd. having its office at 12/1/5, Manoharpukur Road, Kolkata, West Bengal 700026, Phone Nos. 033-40724051 & 52, Fax.: 033-40724050 are 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 31st March, 2016 is given below:-

	No. of Shareholders	Percentage	No. of Shares held	Percentage
Up to 500	7897	82.67	1055031	5.57
501 to 1000	870	9.11	689246	3.64
1001 to 2000	390	4.08	594149	3.14
2001 to 3000	118	1.24	299823	1.58
3001 to 4000	60	0.63	212849	1.12
4001 to 5000	54	0.57	252390	1.33
5001 to 10000	74	0.77	530387	2.80
10001 to 50000	67	0.70	1350312	7.13
50001 to 100000	6	0.06	397955	2.10
100000 & above	16	0.17	13563833	71.59
Total	**9552**	**100.00**	**18945975**	**100.00**

j) Category of shareholders as on 31st March, 2016 are given below:

	No. of shares	Percentage
Promoters	11803150	62.30
Financial Institutions	343111	1.81
NRI/NRC/FIIs	799542	4.22
General	6000172	31.67
Total	**18945975**	**100.00**

k) Dematerialization of Shares and liquidity: As on 31st March, 2016, 97.55% of Equity shares are in dematerialized form.

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
- No.A-1 and A-2 Sikandrabad Industrial Area, Sikandrabad, Dist. Bulandsahar, Uttar Pradesh and
- Chinnapuliyur Village, Gummidipoondi Taluk, Thiruvallur, Chennai.

m) Address for Correspondence: Secretarial Department, Shalimar Paints Limited, 4th Floor, Plot No 64, Sector, 44, Gurgaon, Haryana 122 001

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

For and on behalf of the Board

Surender Kumar
Managing Director and CEO
DIN: 00510137

Rajiv Rajvanshi
Director
DIN: 00036605

Date: 1st September, 2016
Place: New Delhi

DECLARATION

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

I, Surender Kumar, Whole-time Director and CEO 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.

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Place: New Delhi
Date: 1st April, 2016

Report on Corporate Governance

as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of Shalimar Paints Limited

We have examined the compliance of conditions of Corporate Governance by Shalimar Paints Limited, for the year ended March 31, 2016, as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination is limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We state that all investor grievances were redressed within 30 days of lodgment of grievance and as on 31.03.2016, no investor complaint is pending against the Company as per the records maintained by the Stakeholders Relationship Committee.

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

For Mohit & Associates
(Company Secretaries)

CS Mohit
(M. No. A30192)
(COP No. 11722)

Date : June 21, 2016
Place : Gurgaon (Haryana)

To the Members of Shalimar Paints Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Shalimar Paints Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

(i) The Company has resolved to de-commission its Chennai Plant, due to technical reasons, with effect from 06th April 2015, and depreciation after de-commissioning, has not been charged to revenue. The said assets will be put to use once the plant restarts & depreciation thereon will be charged thereafter.(Note 2.43 of audited accounts)

(ii) The Company, on the basis of external expert opinion , has not provided for income tax for the reasons stated in Note 2.44 of audited accounts.

(iii) The insurance claim of loss for damage of building & inventories due to fire in Howrah Plant is yet to be assessed by the Insurer . Fixed assets and inventories, except the said damaged assets, have been verified & valued fairly during the year by the Company as per its accounting policy with no material discrepancy. (Note 2.45 of audited accounts)

(iv) Some of the debtors, creditors & advances are pending confirmation /reconciliation, and impact of the same, if any, is unascertained.(Note 2.46 of audited accounts)

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **'Annexure –A'** ,a statement on the matters specified in the paragraph 3 and 4 of the Order.

2. As required by Section 143 (3) of the Act, we report 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) theBalance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;

   d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e) on the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 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-B'**

   g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 financial statements – *Refer Note 2.28 to the financial statements*;

      ii) The Company did not have any long term contracts including derivation contracts for which there are any material foreseeable losses.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **Chaturvedi & Partners**
Chartered Accountants
(**Firm Reg. No. 307068E**)

Place : New Delhi
Date : 28th May, 2016

Anup Kumar Dubey
Partner
Mem. No. 054975

Annexure-A' to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of **Shalimar Paints Limited**(the Company) on the standalone financial statements for the year ended 31 March 2016, we report that:

(i) (a) Fire in Howrah factory of the Company during financial year 2013-14 has damaged its fixed assets comprising Building and Plant & Machineries situated therein. The fixed assets register was also destroyed in fire.Re-construction of fixed assets registeris on showing full particulars, including quantitative details and situation of fixed assets.Hence , we are unable to comment on para 3(i)(a) of the 'Order'.

(b) Except damaged fixed assets as stated above,other fixed assets of the Company have been verified periodically by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. Since the complete fixed assets register could not be made available to us for the reason stated in 1(a) above, we are unable to comment on para 3(1) (b) of the 'Order' - whether any material discrepancies on physical verification existed as compared to fixed assets register .

(c) According to information and explanations given to us ,and on the test basis examination of records of the Company, the title deeds of immovable properties are held in the name of the company.

(ii) The inventories(except damaged due to fire in Howrah factory) have beenphysicallyverified by the management at regularintervals during the year. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.

(iii) The Company is to receive balance consideration money of ₹ 621.21lacs(previous year ₹ 499.16 lac)from its subsidiary, Shalimar AdhunikNirman Limited, for transfer of its assets, advances made to the subsidiary & expenses incurred on behalf of the said subsidiary. Till the previous year , advances made /recoverable from subsidiary were non-interest bearing. The Company has decided to charge interest on loans &advances given during the year to its subsidiary. (Note 2.13 to Financial Statement).

As per information & explanation given to us there is no schedule of repayment of loan & advances comprising principal and interest thereon . As confirmed by the Company, such loans & advances, are repayable on demand, and there is no overdue amount .

Except loan and advances tothe 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 ,the Company has complied with the provisions of section 185 & 186 of the Companies Act, 2013 with respect to loans and advances made.

(v) The Company has not accepted any deposits from the public; and hence, para 3(v) of the Order is not applicable.

(vi) The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, Employees' State Insurance,income tax, sales tax, service tax, duty of customs, duty of excise , value added tax, cess and other material statutory dues, as applicable, have been regularly deposited during the year by the Company to the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid statutory dues were in arrears on 31 March 2016 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material dues of income tax or sales tax or wealth tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited with the appropriate authorities on account of any dispute, except the following disputed statutory dues aggregating Rs1033.00lacs (Note- 2.28).

Sl No.	Name of the statute	Nature of Dues	Forum where dispute is pending	Amount (Rs.in lacs)
01.	Central Excise Act, 1944	Excise Duty	Various Assessing, Appellate & Tribunal Authorities	302.59
02.	Sales Tax Act	Sales Tax	Various Assessing, Appellate, Tribunal & Revision Board Authorities	676.73
03	Income Tax Act, 1961	Income Tax	Various Assessing, Appellate, Tribunal Authorities	53.68
			TOTAL:	1033.00

viii) As per the information and explanations given to us, the Company has not defaulted in repayment ofloans or borrowings to a financial institution, bank, government or dues to debenture holders.

ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan ; hence Para 3 (ix) of the Order is not applicable.

x) Based on the audit procedures performed for reporting on the true & fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or fraud on the Company on or by the Company by its officers / employees has been noticed or reported during the year under audit.

xi) Managerial remuneration has been paid / provided by the Company in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.

xii) The Company is not a Nidhi Company; hence Para 3 (xii) of the Order is not applicable.

xiii) Transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013, and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards. The company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review; hence Para 3 (xiv) of the Order is not applicable.

xiv) The company hasnot entered into any non-cash transactions with directors or persons connected with him; hence Para 3 (xv) of the Order is not applicable.

xv) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934; hence Para 3 (xvi) of the Order is not applicable.

For Chaturvedi & Partners
Chartered Accountants
(Firm Reg. No. 307068E)

Place : New Delhi
Date : 28th May, 2016

Anup Kumar Dubey
Partner
Mem. No. 054975

'Annexure- B' to the Auditors' Report

Report on the Internal Financial Controls 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 31 March 2016 in conjunction with our audit of the standalone financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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') and the Standards on Auditing, both issued by ICAI and deemed to be 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 which are applicable to an audit of internal financial controls ,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 were 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 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 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 the 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 control 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, the Company has, in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 Chaturvedi & Partners
Chartered Accountants
(Firm Reg. No. 307068E)

Place : New Delhi
Date : 28th May, 2016

Anup Kumar Dubey
Partner
Mem. No. 054975

Standalone Balance Sheet

(₹ in Lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. **EQUITY AND LIABILITIES**			
1. **Shareholders' fund**			
(a) Share Capital	2.1	**378.93**	378.57
(b) Reserve and Surplus	2.2	**6,228.36**	5,782.28
		6,607.29	6,160.85
2. **Non-Current Liabilities**			
(a) Long-Term Borrowings	2.3	**3,356.71**	1,842.69
(b) Other Long Term Liabilities	2.4	**30.38**	28.20
(c) Long- Term Provisions	2.5	**771.64**	747.30
		4,158.73	2,618.19
3. **Current Liabilities**			
(a) Short Term Borrowings	2.6	**9,402.18**	10,985.00
(b) Trade Payables	2.7	**15,688.18**	15,770.27
(c) Other Current Liabilites	2.8	**3,227.72**	2,658.63
(d) Short Term Provision	2.9	**4.89**	6.07
		28,322.97	29,419.97
Total		**39,088.99**	38,199.01
II **ASSETS**			
1. **Non Current Assets**			
(a) Fixed Assets	2.10		
(i) Tangible Assets		**6,487.13**	6,766.17
(ii) Intangible Assets		**257.18**	287.95
(iii) Capital Work -In -progress		**553.15**	76.61
(b) Non current Investment	2.11	**84.73**	84.73
(c) Deferred Tax Assets (Net)	2.12	**344.91**	248.93
(d) Long - Term loans and Advances	2.13	**825.46**	718.98
		8,552.56	8,183.37
2. **Current Assets**			
(a) Inventories	2.14	**11,092.13**	10,597.90
(b) Trade receivable	2.15	**14,324.19**	15,362.14
(c) Cash and Cash equivalents	2.16	**896.15**	93.33
(d) Short term loans and advances	2.17	**961.68**	912.09
(e) Other current assets	2.18	**3,262.28**	3,050.18
		30,536.43	30,015.64
Total		**39,088.99**	38,199.01
Significant Accounting Policies And Notes on Accounts	1 & 2		

Notes 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
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

Standalone Statement of Profit and Loss for period

(₹ in Lacs)

	Particulars	Note No.	2015-16	2014-15
I.	Revenue from Operations	2.19	**45,262.26**	48,324.82
	Less : Excise Duty		**4,968.93**	4,997.90
			40,293.33	43,326.92
II.	Other Income	2.20	**29.34**	174.22
III.	**Total Revenue (I + II)**		**40,322.67**	43,501.14
IV.	Expenses :			
	Cost of materials consumed	2.21	**23,541.61**	26,783.53
	Purchases of Stock-in-trade	2.22	**3,222.61**	3,170.77
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.23	**(481.80)**	758.03
	Employee benefits expense	2.24	**3,464.98**	3,669.79
	Finance Costs	2.25	**2,215.13**	2,065.18
	Depreciation and amortization expense	2.10	**504.01**	475.76
	Other expense	2.26	**7,424.58**	8,062.84
	Total Expenses		**39,891.12**	44,985.90
V.	(Loss)/ Profit before exceptional and extraordinary items and tax (III-IV)		**431.55**	(1,484.76)
-VI.	Exceptional Items		**-**	-
VII.	(Loss) / Profit before extraordinary items and tax (V - VI)		**431.55**	(1,484.76)
VIII.	Extraordinary items		**-**	-
IX.	(Loss) / Profit before tax (VII - VIII)		**431.55**	(1,484.76)
X.	Tax expense:			
	(1) Current Tax		**-**	-
	(2) Deferred Tax		**(95.97)**	(426.36)
XI.	Profit/(Loss) for the period (IX- X)		**527.52**	(1,058.40)
XII.	Earnings per equity share:			
	Basic		**2.79**	(5.59)
	Diluted		**2.76**	(5.53)
Significant Accounting Policies and Notes on Accounts		1 & 2		

Notes referred to above form an integral part of the Accounts

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

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

Standalone Cash Flow Statement for period ended

(₹ in Lacs)

		2015-16		2014-15
A. CASH FLOW FROM OPERATING ACTIVITY				
Net Profit / (Loss) before Tax and Extraordinary items		**431.55**		(1,484.76)
Adjusted for :				
Depreciation	**504.01**		475.76	
Interest/Other Income	**(25.31)**		(112.59)	
Bad debts	**20.76**		15.34	
Interest Expenses	**2,215.13**		2,065.18	
Transfer from Revaluattion Reserve	**-**		-	
Loss / (Profit) on sale of Fixed Assets	**(4.03)**	**2,710.56**	(127.06)	2,316.63
Operating Profit before Working Capital Changes		**3,142.11**		831.87
Adjusted for:				
Trade and Other Receivables	**553.03**		254.32	
Inventories	**(494.23)**		1,537.36	
Trade Payables & Other Liabilities	**(1,151.54)**		742.28	
Direct Taxes paid (net of refund)	**95.97**	**(996.77)**	426.36	2,960.32
Cash Generated from Operating Activities		**2,145.34**		3,792.20
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	**(674.35)**		(2,830.57)	
Sale of Fixed Assets	**7.63**		140.00	
Purchase of Investment (In Subsidiary Company)	**-**		-	
Interest /Other Income Received	**25.31**		112.59	
Net Cash used in Investing Activity		**(641.41)**		(2,577.98)
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from Borrowings	**1,514.02**		498.00	
Interest Paid	**(2,215.13)**		(2,065.18)	
Net Cash used in Financing Activities		**(701.11)**		(1,567.18)
Net Increase / (Decrease) in Cash and Bank Balances (A+B+C)		**802.82**		(352.96)
Opening Balance of Cash and Bank Balances		**93.33**		446.29
Closing Balance of Cash and Balances		**896.15**		93.33

This is the Cashflow Statement referred to in our report of even date

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

1. ACCOUNTING POLICIES

1.1 GENERAL

The financial statements have been prepared on accrual basis, except otherwise stated, and under the historical cost convention except revalued fixed assets in accordance with the applicable accounting standards specified by the Institute of Chartered Accountants of India and relevant provisions of Companies Act, 2013.

1.2 FIXED ASSETS

Fixed Assets are stated at cost, net of cenvat. The cost comprises the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

In case of revaluation of Fixed Assets, the cost / book value as written up by the approved valuer is considered in the books of accounts and the differential amount is transferred to Fixed Asset Revaluation Reserve.

Cash generating assets are assessed for possible impairment at balance sheet dates based on external and internal sources of information. Impairment losses, if any, are recognized as an expense in the Statement of Profit and Loss.

1.3 LEASE ACCOUNTING

The Company provides tinting systems to dealers on an operating lease basis. Lease rentals are accounted in accordance with the respective lease agreements.

1.4 DEPRECIATION

Depreciation on fixed assets in previous year as well as in current year is provided at the rates and 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:

a) In respect of assets located at Nashik,Sikandrabad and Chennai Plant - on straight line method.

b) In respect of other assets - on written down value method.

1.5 INVESTMENTS

Investments, being long term in nature are stated at cost, less any diminution in value other than temporary.

1.6 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the equivalent rupee value incurred/earned. Foreign currency assets and liabilities at the year-end are realigned at the applicable exchange rate and variations are adjusted to the revenue or capital heads as the case may be.

1.7 INVENTORY

a) Raw materials including materials in transit, stores & spare parts and loose tools are valued at lower of cost or net realisable value.

b) Stock in trade, finished goods and work-in-process are valued at lower of cost or net realisable value.

c) The cost which is arrived at following weighted average basis, comprises all direct costs including taxes and duties net of cenvat credits, transportation and other costs incurred in bringing the inventories to the present location and conditions.

d) The obsolete/damaged items of inventories are valued at estimated realisable value.

1.8 SALES

The amount recognised as sale is exclusive of VAT and are net of returns. Sales are stated gross of excise duty as well as net of excise duty; excise duty being the amount included in the amount of gross sales. The excise duty related to difference between the closing stock and opening stock is recognized separately as part of 'material cost'.

1.9 RETIREMENT BENEFITS TO EMPLOYEES

(i) The Company operates defined contributions schemes.

The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized inthe Statement of Profit & Loss on an accrual basis.

(ii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.

(iii) For Schemes where recognized funds have been set up, annual contributions are made as determined as per the actuarial valuation report. Actuarial gains & losses are recognized in the Statement of Profit & Loss. 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.

1.10 BORROWING COST

Borrowing Costs attributable to acquisition and construction of assets are capitalized as part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

1.11 TAXES ON 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.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.12 VOLUNTARY RETIREMENT SCHEME

Payments made under the Voluntary Retirement Scheme (VRS) including gratuity arising pursuant to the VRS are amortized over a period of five years commencing from the year in which it is incurred.

1.13 EMPLOYEE STOCK OPTION SCHEME

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight line basis over the vesting period.

1.14 CONTINGENT LIABILITIES

Liabilities which are material in the opinion of the Company and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the Accounts.

2. Standalone Notes to Accounts

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.1 Share Capital		
(i) **Authorised Capital**		
4,00,00,000 Equity Shares of ₹ 2 each (4,00,00,000 Equity Shares of ₹ 2 each)	**800.00**	800.00
(ii) **Issued, Subscribed and Fully Paid-up**	**378.92**	378.56
1,89,45,975 Equity Shares of ₹ 2 each (1,89,28,100 Equity Shares of ₹ 2 each)		
(iii) **Share Forfeiture Account**	**0.01**	0.01
	378.93	378.57

(iv) **Reconciliation of Number of Shares and share capital**

Particulars	**As at March 31, 2016**		As at March 31, 2015	
	No. of Shares	**Amount**	No. of Shares	Amount
Number of shares vis-à-vis amount at the beginning	**18,928,100**	**378.56**	18,928,100.00	378.56
Add: Shares issued	**17,875**	**0.36**	-	-
Number of shares vis-à-vis amount at the end	**18,945,975**	**378.92**	18,928,100.00	378.56

(v) **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.

(vi) **Detail of number of shares held by each shareholder holding more than 5% of the issued share capital.**

Name of Share holders	**As at March 31 , 2016**		As at March 31 , 2015	
	No. of Shares	**% held**	No. of Shares	% held
Hind Strategic Investments Ltd	**5,841,570**	**30.83**	5,841,570	30.86
Hexa Securities and Finance Co. Ltd.	**1,500,000**	**7.92**	1,500,000	7.92
Nalwa Sons Investments Ltd (Formerly Jindal Strips Ltd)	**1,372,590**	**7.24**	1,372,590	7.25
Colorado Trading Company Ltd	**1,224,635**	**6.46**	1,224,635	6.47
Nalwa Investments Ltd	**1,193,855**	**6.31**	1,193,855	6.31

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.2 Reserve and Surplus		
Reserve and Surplus consist of following reserves :		
(i) Capital Reserve		
Opening Balance	**32.24**	32.24
Addition during the year (net)	**-**	-
	32.24	32.24
(ii) Restricted stock units reserve		
Employee Stock Options Outstanding	**110.78**	110.12
Addition during the year (net)	**(93.27)**	0.66
	17.51	110.78
(iii) Securities Premium Account		
Opening Balance	**949.27**	949.27
Addition during the year (net)	**11.83**	-
	961.10	949.27
(iv) Fixed Asset Revaluation Reserve		
Opening Balance	**280.72**	280.72
	280.72	280.72
(v) General Reserve		
Opening Balance	**3,758.51**	3,758.51
	3,758.51	3,758.51
(vi) Surplus in the Statement of Profit and loss		
Opening Balance	**650.76**	1,820.77
Add: Profit / (Loss) for the year	**527.52**	(1,058.40)
Less: Prior period adjustment- Depreciation	**-**	(111.61)
	1,178.28	650.76
Less : Appropriations		
General Reserve	**-**	-
Proposed Dividend	**-**	-
Provision for Tax on Dividend	**-**	-
	1,178.28	650.76
	6,228.36	5,782.28
2.3 Long-Term Borrowings		
Secured		
(a) Term Loan (South Project)		
11.25%, HDFC Bank Ltd (Repayable in 45 monthly installments)	**377.26**	677.71
11.30 %, State Bank of India (Repayable in 28 monthly installments)	**665.00**	1,164.98
	1,042.26	1,842.69
[Secured by (i) first charge, ranking pari passu, by way of an equitable mortgage on the land and building, and hypothecation of other fixed assets thereon, at the Company's factory at Nasik, Maharashtra (ii) first charge, ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, raking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliyur, Taluka-Gummidipoondi, District-Thiruvallur, Tamil Nadu; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.]		
(b) Term Loan for working capital		
13.5% India Bulls Housing Finance Ltd (Repayable in 84 installments)	**458.01**	-
(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)		
13.0% Religare Finvest Ltd (Repayable in 120 installments)	**1,856.44**	-
[Secured by First charge on company's the immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Distt- Bulandshahar (U.P)]		
	2,314.45	-
Total (a+b)	**3,356.71**	1,842.69

(₹ in Lacs)

		As at 31.03.2016	As at 31.03.2015
2.4	**Other Long Term Liabilities**		
	Trade Deposit	**30.38**	28.20
		30.38	28.20
2.5	**Long Term Provisions**		
	Provision for Employees' Benefits [Note (2.42)- II]	**471.64**	447.30
	Others	**300.00**	300.00
		771.64	747.30
2.6	**Short Term Borrowings**		
	Secured		
	(i) Loans repayable on demand	**9,402.18**	10,985.00
	From Bank (Cash credit and WCDL)		
	Secured by (i) **first charge**, ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik,Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) **second charge**, ranking pari passu,(a) on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village-Chinnapuliyur, Taluka-Gummidipoondi , District- Tiruvallur, Tamil Nadu; and hypotehcation of plant and machienry to be purchased out of term loan.		
		9,402.18	10,985.00
2.7	**Trade Payables**		
	(i) Acceptances	**1,885.86**	2,591.19
	(ii) Sundry Creditors		
	a) Sundry creditors for bill discounting (Note 2.27)	**3,022.00**	2,990.52
	b) Others	**10,780.32**	10,188.56
		15,688.18	15,770.27

(₹ in Lacs)

		As at 31.03.2016	As at 31.03.2015
2.8	**Other Current Liabilites**		
(i)	Current Maturity of Long-term debts	**946.75**	152.97
(ii)	Advance from Customer	**380.26**	351.23
(iii)	Unpaid Dividend	**11.75**	15.01
(iv)	**Other Payables**		
	Employee's remuneration	**174.56**	350.78
	Statutory Payment	**543.98**	692.62
	Discount and Rebate	**258.92**	348.93
	Others (Operating Expenses)	**911.50**	747.09
		3,227.72	2,658.63
2.9	**Short Term Provision**		
	Others		
(i)	Provision for Income tax (net)	**-**	-
(ii)	Proposed Dividend	**-**	-
(iii)	Tax on Proposed Dividend	**-**	-
(iv)	Provision for Employee Benefits [Note (2.42)- II]	**4.89**	6.07
		4.89	6.07
2.10	**Fixed assets**		
	Tangible Assets	**6,487.13**	6,766.17
	Intangible Assets	**257.18**	287.95
	Capital Work in Progress	**553.15**	76.61
	(refer Note no. 2.10.1)		
		7,297.46	7,130.73

Note No: 2.10.1 Fixed Assets

COMPANY ACT SCHEDULE STANDALONE 15-16 (₹ In Lacs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Particulars	As at April 1, 2015	Additions	Deletion / Adjust-ments	**As at Mar 31, 2016**	As at Apr 1, 2015	For the year (PL)	Deletion / Adjust-ments	**As at Mar 31, 2016**	**As at Mar 31, 2016**	As at Mar 31, 2015
I. Tangible Assets										
Land	518.14	-	-	**518.14**	-	-	-	**-**	**518.14**	518.14
Building	4,923.77	20.35	-	**4,944.12**	872.89	51.49	-	**924.38**	**4,019.74**	4,050.88
Plant & Machinery	2,821.03	83.69	96.02	**2,808.70**	1,681.76	126.74	92.56	**1,715.94**	**1,092.76**	1,139.29
Leased Equipment	1,940.40	8.31	-	**1,948.71**	1,178.05	137.36	-	**1,315.41**	**633.30**	762.35
Furniture and Fixture	471.86	2.96	0.12	**474.70**	276.19	49.24	0.04	**325.39**	**149.31**	195.67
Office Equipment	931.68	15.01	3.26	**943.43**	849.50	36.04	3.26	**882.28**	**61.15**	82.17
Motor Vehicles	113.41	-	5.19	**108.22**	95.73	4.89	5.13	**95.49**	**12.73**	17.67
Total (A)	11,720.29	130.32	104.59	**11,746.02**	4,954.12	405.76	100.99	**5,258.89**	**6,487.13**	6,766.17
Previous Year	7,366.18	4,303.54	(50.57)	**11,720.29**	4,419.56	523.93	(10.63)	**4,954.12**	**6,766.17**	-
II. Intangible Assets										
Computer software	702.58	67.48	-	**770.06**	559.67	71.46	-	**631.13**	**138.93**	142.91
Trade Mark	93.41	-	-	**93.41**	25.22	18.41	-	**43.63**	**49.78**	68.19
Technical know how	132.00	-	-	**132.00**	55.15	8.38	-	**63.53**	**68.47**	76.85
Total (B)	927.99	67.48	-	**995.47**	640.04	98.25	-	**738.29**	**257.18**	287.95
Previous Year`	766.84	161.15	-	**927.99**	576.59	63.45	-	**640.04**	**287.95**	-
III. Capital Work In Progress	76.61	573.94	97.40	**553.15**	-	-	-	**-**	**553.15**	76.61
Total (C)	76.61	573.94	97.40	**553.15**					**553.15**	76.61
Previous Year`	1,763.60	2,409.45	4,096.44	76.61					76.61	
Total (A+B+C)	12,724.89	771.74	201.99	**13,294.64**	5,594.16	504.01	100.99	**5,997.18**	**7,297.45**	7,130.73
Previous Year	9,896.62	6,874.14	4,045.87	12,724.89	4,996.15	587.38	(10.63)	5,594.16	7,130.73	-

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.11 Non Current Investments -		
Trade Investment, at cost		
(i) **Investment in Equity Instruments - Unquoted**		
Shalimar Adhunik Nirman Ltd. (Subsidiary Company)		
49990 Equity Shares of ₹ 10 each fully paid-up	**5.00**	5.00
450000 Equity Shares of ₹10 each (Partly paid-up @ ₹1 each)	**4.50**	4.50
Eastern Speciality Paints & Coatings Pvt Ltd (Subsidiary Company)		
50000 Equity Shares (10000 Equity Shares) of ₹ 10 each fully paid-up	**5.00**	5.00
(ii) **Investment in Preference Shares - Unquoted**		
Shalimar Adhunik Nirman Ltd. (Subsidiary Company)	**50.00**	50.00
50000, 6% Preference Shares non convertible of ₹ 100 each (Fully paid up)		
Other Investment		
(iii) **Investment in Debentures or Bonds - Unquoted**		
₹ 6,500 1/2% Woodland Medical Centre Ltd.	**0.06**	0.06
₹ 17,000 5% Woodland Medical Centre Ltd.	**0.17**	0.17
(iv) **Investment in Mutual Funds - Quoted**		
UTI Infrastructure Fund -Growth	**20.00**	20.00
(Market value of 50925.374 Units @ NAV ₹ 37.38 as on 31.03.2016)		
	84.73	84.73
Aggregate amount of Unquoted Investments	**64.73**	64.73
Aggregate amount of Quoted Investments	**20.00**	20.00
Market Value of Quoted Investments	**19.04**	22.44
2.12 Deferred Tax Liabilities (net)		
(i) **Deferred Tax Assets**	**(683.28)**	(597.17)
Expenses allowable on payment basis		
(ii) **Deferred Tax Liabilities**	**338.37**	348.24
Depreciation and related items (Note 2.37)		
	(344.91)	(248.93)

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.13 Long Terms Loans and advances		
(Unsecured, considered good)		
(i) Security Deposit	**204.25**	219.82
(ii) **Loan and advances to related parties**	**621.21**	499.16
Receivable from Subisidiary Companies (Shalimar Adhunik Nirman Limited)		
	825.46	718.98
2.14 Inventories		
(as taken, valued & certified by the management)		
1) Raw Material		
i) Raw Material	**2,231.06**	2,304.29
ii) Raw Material in Transit	**129.17**	22.97
2) Work- in -Progress	**326.38**	232.81
3) Finished Goods		
i) Finished Goods	**7,135.46**	7,228.63
ii) Finished Goods in Transit	**329.85**	251.66
Stock- in- Trade	**824.00**	420.79
Stores & spares	**116.21**	136.75
	11,092.13	10,597.90
2.15 Trade receivables		
(Unsecured, considered good)		
(i) Outstanding for a period exceeding six months from due date	**3,137.88**	4,267.08
(ii) Others	**11,247.07**	11,110.40
	14,384.95	15,377.48
Less: Provision for Doubtful Debt	**(40.00)**	-
Less: Bad Debts	**(20.76)**	(15.34)
	14,324.19	15,362.14
2.16 Cash and Bank Balances		
Cash & Cash Equivalents:		
(i) Balances with Bank (in current account)	**99.15**	58.98
(ii) Cheque, drafts on hand	**749.32**	-
(iii) Cash in hand	**11.51**	7.42
(iv) Other Bank Balances:		
Unpaid Dividend Account	**11.75**	15.01
Fixed Deposit Account	**17.46**	-
Margin Money	**6.96**	11.92
	896.15	93.33
2.17 Short term loans and advances - Unsecured, considered good		
(i) **Others :**		
Advances to suppliers	**617.33**	576.20
Advance to Employee	**37.41**	35.06
Advance Tax (Net of Provision for Tax)	**306.94**	300.83
	961.68	912.09
2.18 Other Current Assets		
(i) Prepaid Expenses	**227.44**	165.24
(ii) Short term deposit	**429.18**	342.45
(iii) Other Receivables	**1,883.38**	1,971.44
(iv) Balances with Revenue Authorities	**722.28**	571.05
	3,262.28	3,050.18

(₹ in Lacs)

		2015-16	2014-15
2.19	**Revenue from Operations**		
	(i) Revenue from Sale of Products	**47,902.19**	51,909.04
	(ii) Other Operating Revenue	**156.95**	220.69
		48,059.14	52,129.73
	Less : Discounts	**2,796.88**	3,804.91
		45,262.26	48,324.82
	Less : Excise duty	**4,968.93**	4,997.90
		40,293.33	43,326.92
2.20	**Other Income**		
	(i) Interest	**7.81**	2.74
	(ii) Profit on Sale of Fixed Assets	**4.03**	127.06
	(iii) Miscellaneous Receipts	**17.50**	44.42
		29.34	174.22
2.21	**Cost of Materials Consumed**		
	Organic acid/chemicals	**6,561.37**	6,962.03
	Pigments	**2,978.41**	3,993.17
	Solvents & Oils	**6,176.35**	8,313.99
	Packages and Packing Materials	**2,759.46**	3,119.32
	Others*	**5,066.02**	4,395.02
	* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
		23,541.61	26,783.53
2.22	**Purchase of Stock-in-Trade**	**3,222.61**	3,170.77
		3,222.61	3,170.77
2.23	**Changes in inventories of finished goods, work-in-progress and Stock-in-trade**	**-**	**-**
	Closing Stock		
	Finished Goods	**7,465.31**	7,480.29
	Work-in-progress	**326.38**	232.81
	Stock-in-trade	**824.00**	420.79
		8,615.69	8,133.89
	Opening Stock		
	Finished Goods	**7,480.29**	8,411.92
	Work-in-progress	**232.81**	241.78
	Stock-in-trade	**420.79**	238.22
		8,133.89	8,891.92
		(481.80)	758.03

(₹ in Lacs)

		2015-16	2014-15
2.24	**Employee Benefits Expense**		
	Salaries and Wages	**3,061.91**	3,259.17
	Contribution to provident and other funds	**149.95**	147.27
	Expenses on Employee Stock Option Plan	**6.99**	6.21
	Staff Welfare Expenses	**246.13**	257.14
		3,464.98	3,669.79
2.25	**Finance Costs**		
	Interest expense	**1,932.54**	1,795.42
	Foreign exchange gain / loss	**16.37**	99.57
	Other borrowing cost	**266.22**	170.19
		2,215.13	2,065.18
2.26	**Other Expense**		
	Consumption of stores and spare parts	**45.78**	57.46
	Power and fuel	**251.38**	228.10
	Rent	**477.44**	452.17
	Repairs to building	**10.33**	24.32
	Repairs to plant and machinery	**63.02**	107.24
	Insurance	**77.23**	34.34
	Rates and taxes	**16.56**	47.98
	Repairs - others	**145.28**	193.91
	Printing and stationery	**36.02**	65.00
	Communication expenses	**114.89**	143.06
	Directors' fees	**4.80**	4.40
	Payment to the Auditor (note no. 2.30)	**13.60**	12.04
	Cost Audit Fees	**-**	0.55
	Commission on sales	**148.48**	150.28
	Travelling expenses	**590.83**	631.89
	Application Charges	**164.07**	249.06
	Freight	**2,796.20**	3,234.78
	Discount & Rebates	**1,913.40**	1,759.60
	Bad Debts	**20.76**	15.34
	Provision for Bad & Doubtful Debt	**40.00**	-
	Miscellaneous Expenses	**494.51**	651.32
		7,424.58	8,062.84

(₹ In lacs)

		2015-2016	2014-2015
2.27	Liabilities in Note 2.7(ii)(a) comprise : (i) ₹ 0.00 Lacs (Previous Year ₹ 1250.67 Lacs) outstanding in respect of discounting facilities granted by Small Industries Development Bank of India (SIDBI) as well as interest accrued but not due thereon. Facilities were secured by a first charge on Company's entire fixed assets of Sikandrabad Plant.		
	(ii) ₹ 3022.00 Lacs (Previous Year ₹ 1739.85 Lacs) outstanding in respect of discounting facilities granted by AXIS Bank Ltd. as well as interest accrued but not due thereon.		
2.28	Contingent Liabilities		
	Contingent liability not provided for in respect of:		
	i) Excise Duty	**302.59**	293.71
	ii) Bank Guarantee	**774.40**	1479.10
	iii) Sales Tax	**676.73**	576.04
	iv) Claims against the Company not acknowledged as debt (to the extent ascertained)	**73.86**	74.36
	v) Income Tax	**53.68**	47.95
2.29	**Commitments**		
	(i) Estimated amount of capital commitments, net of advance of ₹ 411.60 lacs (previous year ₹ 516.80 lacs)	**1.42**	186.49
	(ii) Uncalled Liability on Partly paid up shares	**40.50**	40.50
2.30	**Auditors' Remuneration**		
	Audit Fees	**6.60**	6.00
	Tax Audit Fees	**1.25**	1.00
	Certification fees and other Services	**2.95**	2.05
	Reimbursement of Exp.	**2.80**	2.99
2.31	**CIF Value of Imports**		
	Raw Materials	**1578.28**	2207.00
2.32	**Expenditure in foreign currency**		
	Purchase of Raw Material	**1516.47**	2946.033
	Travelling Expenses	**1.72**	3.81
	Testing Charges	**3.76**	2.47
2.33	**Earnings in foreign currency**		
	FOB Value of Export	**278.48**	306.14

(₹ In lacs)

		2015-2016	2014-2015
2.34	**Amount remitted in foreign currency on account of dividend**		
	a) Number of Non-resident shareholders	**NIL**	NIL
	b) Number of shares held by them	**NIL**	NIL
	c) Amount of dividend remitted	**NIL**	NIL
	d) Year to which dividend relates	**NIL**	NIL

2.35 Consumption of imported and indigenous raw materials & stores

	2015-16		2014-15	
	%	**Rs. (Lac)**	%	Rs. (Lac)
Imported	**7.91**	**1865.28**	10.98	2946.03
Indigenous	**92.09**	**21722.11**	89.02	23894.96
	100.00	**23587.39**	100.00	26840.99

2.36 Disclosure under the Micro, Small & Medium Enterprises Development Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

2.37 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax Assets amounting to Rs 95.97 lakhs has been recognised.

	Opening as at 01.04.2015 (₹ In lacs)	Charge /(Credit) during the year (₹ in lacs)	**Closing as at 31.03.2016 (₹ in lacs)**
Deferred Tax Assets			
Expenses allowable on payment basis	597.17	86.11	**683.28**
Deferred Tax Liabilities			
Depreciation and related items	(348.24)	9.87	**(338.37)**
Other Adjustments			
Net Deferred Tax Assets / (Liabilities)	248.93	95.97	**344.91**

2.38 Future minimum lease rentals receivable as at the year end(as per the lease agreements) :

		2015-2016	(₹ in lacs) 2014-2015
i)	Not later than one year	**0.00**	3.25
ii)	Later than one year and not later than five years	**0.00**	8.15
iii)	Later than five years	**----**	---
		0.00	11.40

2.39 Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

Name of the related parties with whom the transactions have been made	**Description of relationship with the party**	**Nature of Transaction**	**Amount outstanding as on March 31, 2016**	**Transactional Value 2015-2016**
Sameer Nagpal	Managing Director	Remuneration	**0.00** (9.33)	**17.77** (112.00)
Ratan Jindal	Non-Executive Director	Sitting Fees	**0.00** 0.00	**0.80** (0.60)
Girish Sunder Jhunjhnuwala	Non-Executive Director	Sitting Fees	**0.00** 0.00	**0.40** (0.30)
Surender Kumar	Executive Director	Remuneration	**0.00** (0.00)	**70.77** (0.00)
Nitin Gupta	Company Secretary	Salary	0.00 (0.00)	**2.63** (0.00)
Bernadette Dominic	Company Secretary	Salary	**0.00** (0.00)	**2.09** (0.00)
Shalimar Adhunik Nirman Ltd.	Subsidiary	Loans & Advances (Given)	**621.21** (499.16)	**122.05** (0.00)
Shalimar Adhunik Nirman Ltd.	Subsidiary	Investment	**59.50** (59.50)	**0.00** (0.00)
Eastern Speciality Paints & Coatings Pvt. Ltd.	Subsidiary	Investment	**5.00** (5.00)	**0.00** (0.00)

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2016	Transactional Value 2015-2016
Eastern Speciality Paints & Coatings Pvt. Ltd.	Subsidiary	Reimbursement of expenses incurred by Company	**0.28** (0.00)	**0.00** (0.00)
Jindal Steel & Power Ltd.	Company in which Directors and/ or Relatives are interested	Sales	515.30	1445.61
Jindal Saw Ltd.	Company in which Directors and/ or Relatives are interested	Sales	21.98	83.78
JSW Energy Ltd.	Company in which Directors and/ or Relatives are interested	Sales	48.95	108.50
JSW Steel Ltd.	Company in which Directors and/ or Relatives are interested	Sales	27.61	**238.51**
Jindal Industries Pvt Ltd	Company in which Directors and/ or Relatives are interested	Sales	32.11	180.88
Jindal Stainless Ltd.	Company in which Directors and/ or Relatives are interested	Sales	**0.00** (26.96)	**0.00** (73.99)
Jindal Stainless Ltd.	Company in which Directors and/ or Relatives are interested	Reimbursement of expenses incurred by related party	**0.00** (0.00)	**0.15** (0.00)

(Note – Financial figures in bracket relate to previous year)

2.40 Earning Per Share

(Amt in ₹)

Particulars	2015-2016	2014-2015
(a) Profit / (Loss) for the year, as per statement of profit and loss (₹ In lacs)	**527.52**	(1,058.41)
(b) Weighted Average number of Equity Shares (Nos.)	**18,939,717**	18,928,100
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	**152375**	223,196
(d) Weighted Average number of Equity shares in computing diluted Earnings per share {(b)+(c) }	**19,092,092**	1,91,51,296
(e) Earning per Share (in Rupees)		
Basic	**2.79**	(5.59)
Diluted	**2.76**	(5.53)

2.41 Advances to Subsidiary represents the balance consideration receivable by the Company in cash as per the order of Honorable High Courts of Calcutta and Delhi, for transfer of its Real Estate Division to the subsidiary company, Shalimar Adhunik Nirman Limited.

2.42 Employees' Benefits

The Company has adopted Accounting Standard 15 (Revised) Employee Benefits with effect from 1st April, 2007.

The following disclosures are made in accordance with Accounting Standard 15 (Revised) pertaining to Defined Benefit Plans :

(a) Defined Benefits Plans / Compensated absences - As per actuarial valuation on 31st March 2016

I Expense recognized in the Statement of Profit and Loss

		Gratuity Funded		Leave Encashment Non funded	
		2015-16	2014-15	2015-16	2014-15
1	Current Service Cost	29.59	29.87	13.42	15.75
2	Interest on Cost	32.56	41.79	5.32	9.26
3	Employee Contribution	--	--	--	--
4	Expected Return on plan assets	(3.10)	(6.86)	--	--
5	Net Actuarial (Gain) / Losses	(0.87)	65.99	1.98	6.37
6	Past Service Cost	--	--	--	--
7	Settlement Cost	--	--	--	--
8	Total Expenses	58.18	130.79	20.72	31.38

II Net Assests / (Liability) recognized in the Balance Sheet.

		2015-16	2014-15	2015-16	2014-15
1	Present Value of Defined Benefits of Obligation as at March 16	436.95	420.06	57.17	68.71
2	Fair Value of plan assets as at March 16	17.58	35.40	--	--
3	Funded status [Surplus/(Deficit)]	(419.37)	(384.66)	(57.17)	(68.71)
4	Net Assets/(Liability) as at March 16	(419.37)	(384.66)	(57.17)	(68.71)

III Change in Obligation during the Year ended

		2015-16	2014-15	**2015-16**	2014-15
1	Present Value of Defined Benefit Obligation at beginning of the Year	**420.06**	464.32	**68.71**	102.85
2	Current Service Cost	**29.59**	29.87	**13.42**	15.75
3	Interest Cost	**32.55**	41.79	**5.32**	9.26
4	Settlement Cost	**--**	--	**--**	--
5	Past Service Cost	**--**	--	**--**	--
6	Employee Contributions	**--**	--	**--**	--
7	Plan Amendments	**--**	--	**--**	--
8	Actuarial (Gain)/ Losses	**(1.64)**	(69.04)	**1.98**	6.37
9	Benefits Payments	**(43.61)**	(46.88)	**(32.26)**	(65.52)
	Present value of Defined Benefits Obligation at the end of year	**436.95**	420.06	**57.17**	68.71

IV Change in Assets during the Year

		2015-16	2014-15	**2015-16**	2014-15
1	Plan assets at the beginning of the year	**35.39**	78.45	**--**	--
2	Plan assets acquired on amalgamation in Previous Year	**--**	--	**--**	--
3	Settlements	**--**	--	**--**	--
4	Expected return on plan assets	**3.10**	6.86	**--**	--
5	Contributions by employer	23.47	--	32.26	65.52
6	Actual benefits paid	(43.61)	(46.88)	(32.26)	(65.52)
7	Actual Gains/ (Losses)	(0.77)	(3.04)	--	6.37
8	Actual return on Plan assets	--	--	--	--
9	Plan assets at the end of the year	17.58	35.39	--	**--**

V Actuarial Assumptions:

		As at 31.03.2016	As at 31.03.2015
1	Discount Rate	7.85%	7.75%
2	Rate of increase in salaries	2.00%	3.00%
3	Rate of return on Plan Assets :		
	1) Leave Encashment	N.A.	N.A.
	2) Gratuity	8.00%	8.75%
4	Mortality		As per IALM (2006-2008) Ultimate.
5	Withdrawal rate	2.00%p.a	2.00%p.a

2.43 The Company has resolved to de-commission its Chennai Plant, due to technical reasons, with effect from 06th April 2015, and depreciation after de-commissioning has not been charged to revenue. The said assets will be put to use once the plant restarts.

2.44 The Company, on the basis of expert opinion, is of the view that there will be no income tax liability as per the normal provisions of income tax or under MAT having regard to carry forward losses(as per the income tax) & book losses of financial years 2013-14 & 2014-15 , as brought forward losses for the current year.

2.45 The insurance claim of loss for damage of building & inventories due to fire in Howrah Plant is yet to be assessed by the Insurer . Fixed assets and inventories, except the said damaged assets, have been verified & valued fairly during the year by the Company as per its accounting policy with no material discrepancy.

2.46 Some of the debtors, creditors & advances are pending confirmation /reconciliation, and impact of the same, if any, is unascertained.

2.47 Miscellaneous Expenses is net off of ₹ 112.63 lacs on account of liability written back (previous year ₹ 65.43lacs).

2.48 Finance charges include foreign exchange loss of ₹ 16.37 lacs (previous year ₹ 99.57lacs).

2.49 The Company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints.

2.50 Previous year's figures have been regrouped / rearranged, wherever necessary.

Signatures to Notes 1 to 2

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

To the Members of Shalimar Paints Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **Shalimar Paints Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries, Shalimar Adhunik Nirman Limited & Eastern Speciality Paints & Coatings Private Limited (collectively referred to as "**the Group**"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act) that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective The Board of Director 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by other auditor in terms of their report referred to in para (i) of "Other Matters" below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Emphasis of Matters

(i) The Company has resolved to de-commission its Chennai Plant, due to technical reasons, with effect from 06th April 2015, and depreciation after de-commissioning, has not been charged to revenue. The said assets will be put to use once the plant restarts & depreciation thereon will be charged thereafter.(Note 2.42 of audited accounts)

(ii) The Company, on the basis of external expert opinion , has not provided for income tax for the reasons stated in Note 2.43 of audited accounts.

(iii) The insurance claim of loss for damage of building & inventories due to fire in Howrah Plant is yet to be assessed by the Insurer . Fixed assets and inventories, except the said damaged assets, have been verified & valued fairly during the year by the Company as per its accounting policy with no material discrepancy. (Note 2.44 of audited accounts)

(iv) Some of the debtors, creditors & advances are pending confirmation /reconciliation, and impact of the same, if any, is unascertained. (Note 2.45 of audited accounts)

Our opinion is not modified in respect of these matters.

Other Matters

(i) We did not audit the financial statements of Eastern Speciality Paints & Coatings Private Limited (one of the subsidiaries of Shalimar Paints Limited), whose financial statements reflect total assets of ₹ 5,16,370/- as at 31st March, 2016 and total revenues of ₹ Nil for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the Management ,and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated 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 Section143(3) of the Act, we report, to the extent applicable, that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, none of the directors of the Group companies is disqualified as on 31st March, 2016 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 Group and the operating effectiveness of such controls, refer to our separate report in **'Annexure-A'**; and

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      (i) the consolidated financial statements have disclosed the impact of pending litigations on the consolidated financial position of the Group.- Refer Note 2.28 to the consolidated financial statements;

      ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies.

For Chaturvedi & Partners,
Chartered Accountants
Firm Reg. No. 307068E

Place : New Delhi
Date : May 28, 2016

(Anup Kumar Dubey)
Partner
Membership No. 054975

'Annexure- A' to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March 2016, we have audited the internal financial controls over financial reporting of Shalimar Paints Limited (the Holding Company') and its subsidiary companies , as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies are 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 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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') and the Standards on Auditing, both issued by ICAI and deemed to be 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 which are applicable to an audit of Internal Financial Controls ,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 were 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 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 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 the 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 control 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, the Holding Company and its subsidiary companies have in all material respects, and adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 Chaturvedi & Partners,
Chartered Accountants
Firm Reg. No. 307068E

Place : New Delhi
Date : May 28, 2016

(Anup Kumar Dubey)
Partner
Membership No. 054975

Consolidated Balance Sheet

(₹ in Lacs)

Particulars	Note No.	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' fund			
(a) Share Capital	2.1	**378.93**	378.57
(b) Reserve and Surplus	2.2	**6,226.15**	5,782.29
		6,605.08	6,160.86
2 Non-Current Liabilities			
(a) Long-Term Borrowings	2.3	**3,356.71**	1,842.69
(b) Other Long Term Liabilities	2.4	**30.38**	28.20
(c) Long- Term Provisions	2.5	**771.64**	747.30
		4,158.73	2,618.19
3 Current Liabilities			
(a) Short Term Borrowings	2.6	**9,402.18**	10,985.00
(b) Trade Payables	2.7	**15,688.18**	15,770.29
(c) Other Current Liabilites	2.8	**3,270.58**	2,659.84
(d) Short Term Provision	2.9	**4.89**	6.07
		28,365.83	29,421.20
Total		**39,129.64**	38,200.25
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets	2.10		
(i) Tangible Assets		**7,203.90**	7,319.39
(ii) Intangible Assets		**257.18**	287.95
(iii) Capital Work -In -progress		**553.14**	76.61
(b) Non current Investment	2.11	**20.23**	20.23
(c) Deferred Tax Assets (Net)	2.12	**345.89**	248.93
(d) Long - Term loans and Advances	2.13	**204.25**	219.83
(e) Other Non-current assets	2.14	**1.04**	6.14
		8,585.63	8,179.08
2 Current Assets			
(a) Inventories	2.15	**11,092.13**	10,597.90
(b) Trade receivable	2.16	**14,324.19**	15,362.14
(c) Cash and Cash equivalents	2.17	**902.70**	97.83
(d) Short term loans and advances	2.18	**961.68**	912.09
(e) Other current assets	2.19	**3,263.31**	3,051.21
		30,544.01	30,021.17
Total		**39,129.64**	38,200.25
Significant Accounting Policies and Notes on Accounts	1 & 2		

Notes 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
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

Consolidated Statement of Profit and loss for period

(₹ in Lacs)

	Particulars	Note No.	2015-16	2014-15
I.	Revenue from Operations	2.20	**45,262.26**	48,324.82
	Less : Excise Duty		**4,968.93**	4,997.90
			40,293.33	43,326.92
II.	Other Income	2.21	**29.34**	174.22
III.	**Total Revenue (I + II)**		**40,322.67**	43,501.14
IV.	Expenses :			
	Cost of materials consumed	2.22	**23,541.61**	26,783.53
	Purchases of Stock-in-trade	2.23	**3,222.61**	3,170.77
	Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.24	**(481.80)**	758.03
	Employee benefits expense	2.25	**3,464.98**	3,669.79
	Finance Costs	2.26	**2,215.13**	2,065.18
	Depreciation and amortization expense	2.10	**504.34**	475.76
	Other expense	2.27	**7,427.45**	8,062.84
	Total Expenses		**39,894.32**	44,985.90
V.	(Loss)/ Profit before exceptional and extraordinary items and tax (III-IV)		**428.35**	(1,484.76)
VI.	Exceptional Items		**-**	-
	(Loss) / Profit before extraordinary items and tax (V - VI)		**428.35**	(1,484.76)
	Extraordinary items		**-**	-
IX.	(Loss) / Profit before tax (VII - VIII)		**428.35**	(1,484.76)
X.	Tax expense:			
	(1) Current Tax		**-**	-
	(2) Deferred Tax		**(96.96)**	(426.36)
XI.	Profit/(Loss) for the period (IX- X)		**525.31**	(1,058.40)
	Earnings per equity share:			
	Basic		**2.77**	(5.59)
	Diluted		**2.75**	(5.53)
	Significant Accounting Policies and Notes on Accounts	1 & 2		

Notes referred to above form an integral part of the Accounts

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

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

Consolidated Cash Flow Statement for period ended

(₹ in Lacs)

	2015-16		2014-15	
A. CASH FLOW FROM OPERATING ACTIVITY				
Net Profit / (Loss) before Tax and Extraordinary items		**428.35**		(1,484.76)
Adjusted for :				
Depreciation	**504.34**		475.76	
Interest/Other Income	**(25.31)**		(112.59)	
Bad debts	**20.77**		15.34	
Interest Expenses	**2,215.13**		2,065.18	
Transfer from Revaluattion Reserve	**-**		-	
Loss / (Profit) on sale of Fixed Assets	**(4.03)**	**2,710.90**	(127.06)	2,316.63
Operating Profit before Working Capital Changes		**3,139.25**		831.87
Adjusted for:				
Trade and Other Receivables	**679.20**		254.27	
Inventories	**(494.23)**		1,537.35	
Trade Payables & Other Liabilities	**(1,109.92)**		746.31	
Direct Taxes paid (net of refund)	**96.96**	**(827.99)**	426.36	2,964.29
Cash Generated from Operating Activities		**2,311.26**		3,796.16
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Fixed Assets	**(838.22)**		(2,830.56)	
Sale of Fixed Assets	**7.63**		140.00	
Purchase of Investment (In Subsidiary Company)	**-**		-	
Interest /Other Income Received	**25.31**		112.59	
Net Cash used in Investing Activity		**(805.28)**		(2,577.97)
C CASH FLOW FROM FINANCIAL ACTIVITIES				
Proceeds from Borrowings	**1,514.02**		498.00	
Interest Paid	**(2,215.13)**		(2,065.18)	
Net Cash used in Financing Activities		**(701.11)**		(1,567.18)
Net Increase / (Decrease) in Cash and Bank Balances (A+B+C)		**804.87**		(348.98)
Opening Balance of Cash and Bank Balances		**97.83**		446.81
Closing Balance of Cash and Balances		**902.70**		97.83

This is the Cashflow Statement referred to in our report of even date

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

For and on behalf of the Board

A. K. Dubey
Partner
(Mem. No. 054975)

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

New Delhi
May 28, 2016

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

(i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statement comprises the financial statement of Shalimar Paints Limited (the Company) its Subsidiary Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Private Limited. The Company and its Subsidiary constitute Shalimar Group.

(ii) The financial Statements have been prepared to comply in all material aspects in respect with the notified Accounting Standard Rules, 2006

(iii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.

(iv) Accounting Policies have been consistently applied by the Group and are consistent with those used in the previous year.

(v) The financial statement of the company and its subsidiary company have been consolidated on line by line basis by adding together the book value of like items of assets, liability, after eliminating intra- group balances and intra-group transactions.

(vi) The Consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented, to the extent possible, in the same manner as the company's separate financial statements.

1.2 GENERAL

The financial statements have been prepared on accrual basis, except otherwise stated, and under the historical cost convention except revalued fixed assets in accordance with the applicable accounting standards specified by the Institute of Chartered Accountants of India and relevant provisions of Companies Act, 1956.

1.3 FIXED ASSETS

Fixed Assets are stated at cost, net of cenvat. The cost comprises the purchase price and any other attributable cost of bringing the assets to its working conditions for its intended use.

In case of revaluation of Fixed Assets, the cost / book value as written up by the approved valuer is considered in the books of accounts and the differential amount is transferred to Fixed Asset Revaluation Reserve.

Cash generating assets are assessed for possible impairment at balance sheet dates based on external and internal sources of information. Impairment losses, if any, are recognized as an expense in the Statement of Profit and Loss.

1.4 LEASE ACCOUNTING

The Company provides tinting systems to dealers on an operating lease basis. Lease rentals are accounted in accordance with the respective lease agreements.

1.5 DEPRECIATION

Depreciation on fixed assets in previous year as well as in current year is provided at the rates and 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:

a) In respect of assets located at Nashik, Chennai and Sikandrabad Plant - on straight line method.

b) In respect of other assets - on written down value method.

1.6 INVESTMENTS

Investments, being long term in nature are stated at cost, less any diminution in value other than temporary.

1.7 FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currency are accounted for at the equivalent rupee value incurred/earned. Foreign currency assets and liabilities at the year-end are realigned at the applicable exchange rate and variations are adjusted to the revenue or capital heads.

1.8 INVENTORY

a) Raw materials including materials in transit, stores & spare parts and loose tools are valued at lower of cost or net realizable value.

b) Stock in trade, finished goods and work-in-process are valued at lower of cost or net realizable value.

c) The cost which is arrived at following weighted average basis, comprises all direct costs including taxes and duties net of cenvat credits, transportation and other costs incurred in bringing the inventories to the present location and conditions.

d) The obsolete/damaged items of inventories are valued at estimated realizable value.

1.9 SALES

The amount recognized as sale is net of returns , and is inclusive of excise duty but exclusive of VAT. The excise duty related to difference between the closing stock and opening stock is recognized separately as part of 'material cost'.

1.10 RETIREMENT BENEFITS TO EMPLOYEES

(i) The Company operates defined contributions schemes.

The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized in Statement of Profit & Loss on an accrual basis.

(ii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.

(iii) For Schemes where recognized funds have been set up, annual contributions are made as determined as per the actuarial valuation report. Actuarial gains & losses are recognized in the Statement of Profit & Loss. 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.

1.11 BORROWING COST

Borrowing Costs attributable to acquisition and construction of assets are capitalized as part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to Statement of Profit and Loss.

1.12 TAXES ON 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.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.13 VOLUNTARY RETIREMENT SCHEME

Payments made under the Voluntary Retirement Scheme (VRS) including gratuity arising pursuant to the VRS are amortized over a period of five years commencing from the year in which it is incurred.

1.14 EMPLOYESS STOCK OPTION SCHEME

The Company determines the compensation cost based on the intrinsic value method. The compensation cost is amortized on a straight line basis over the vesting period.

1.15 CONTINGENT LIABILITIES

Liabilities which are material in the opinion of the Company and whose future outcome cannot be ascertained with reasonable certainty, are treated as contingent and disclosed by way of notes to the Accounts.

2. Consolidated Notes to Accounts

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.1 Share Capital		
(i) **Authorised Capital**		
4,00,00,000 Equity Shares of ₹ 2 each (4,00,00,000 Equity Shares of ₹ 2 each)	**800.00**	800.00
(ii) **Issued, Subscribed and Fully Paid-up**	**378.92**	378.56
1,89,45,975 Equity Shares of ₹ 2 each (1,89,28,100 Equity Shares of ₹ 2 each)		
(iii) **Share Forfeiture Account**	**0.01**	0.01
	378.93	378.57

(iv) **Reconciliation of Number of Shares and share capital**

Particulars	**As at March 31, 2016**		As at March 31, 2015	
	No. of Shares	**Amount**	No. of Shares	Amount
Number of shares vis-à-vis amount at the beginning	**18,928,100**	**378.56**	18,928,100.00	378.56
Add: Shares issued	**17,875**	**0.36**	-	-
Number of shares vis-à-vis amount at the end	**18,945,975**	**378.92**	18,928,100.00	378.56

(v) **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.

(vi) **Detail of number of shares held by each shareholder holding more than 5% of the issued share capital.**

Name of Share holders	**As at March 31 , 2016**		As at March 31 , 2015	
	No. of Shares	**% held**	No. of Shares	% held
Hind Strategic Investments Ltd	**5,841,570**	**30.83**	5,841,570	30.86
Hexa Securities and Finance Co. Ltd.	**1,500,000**	**7.92**	1,500,000	7.92
Nalwa Sons Investments Ltd (Formerly Jindal Strips Ltd)	**1,372,590**	**7.24**	1,372,590	7.25
Colorado Trading Company Ltd	**1,224,635**	**6.46**	1,224,635	6.47
Nalwa Investments Ltd	**1,193,855**	**6.31**	1,193,855	6.31

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.2 Reserve and Surplus		
Reserve and Surplus consist of following reserves :		
(i) Capital Reserve		
Opening Balance	**32.24**	32.24
Addition during the year (net)	**-**	-
	32.24	32.24
(ii) Restricted stock units reserve		
Employee Stock Options Outstanding	**110.78**	110.12
Addition during the year (net)	**(93.27)**	0.67
	17.51	110.79
(iii) Securities Premium Account		
Opening Balance	**949.27**	949.27
Addition during the year (net)	**11.83**	-
	961.10	949.27
(iv) Fixed Asset Revaluation Reserve		
Opening Balance	**280.72**	280.72
	280.72	280.72
(v) General Reserve		
Opening Balance	**3,758.51**	3,758.51
	3,758.51	3,758.51
(vi) Surplus in the Statement of Profit and loss		
Opening Balance	**650.76**	1,820.77
Add: Profit / (Loss) for the year	**525.31**	(1,058.40)
Less: Prior period adjustment- Depreciation	**-**	(111.61)
	1,176.07	650.76
Less : Appropriations		
General Reserve	**-**	-
Proposed Dividend	**-**	-
Provision for Tax on Dividend	**-**	-
	1,176.07	650.76
	6,226.15	5,782.29
2.3 Long-Term Borrowings		
Secured		
(a) Term Loan (South Project)		
11.25%, HDFC Bank Ltd (Repayable in 45 monthly installments)	**377.26**	677.71
11.30 %, State Bank of India (Repayable in 28 monthly installments)	**665.00**	1,164.98
	1,042.26	1,842.69
[Secured by (i) first charge, ranking pari passu, by way of an equitable mortgage on the land and building, and hypothecation of other fixed assets thereon, at the Company's factory at Nasik, Maharashtra (ii) first charge, ranking pari passu, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (iii) second charge, raking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (iv) first pari passu charge by way of equitable mortgage of land and building of the Company situated at village-Chinnapuliyur, Taluka-Gummidipoondi, District-Thiruvallur, Tamil Nadu; and hypothecation charge over plant and machinery to be purchased out of the term loan (v) Second pari passu charge on the entire current assets of the Company.]		
(b) Term Loan for working capital		
13.5% India Bulls Housing Finance Ltd (Repayable in 84 installments)	**458.01**	-
(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)		
13.0% Religare Finvest Ltd (Repayable in 120 installments)	**1,856.44**	-
[Secured by First charge on company's the immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Distt- Bulandshahar (U.P)]		
	2,314.45	-
Total (a+b)	**3,356.71**	1,842.69

(₹ in Lacs)

		As at 31.03.2016	As at 31.03.2015
2.4	**Other Long Term Liabilities**		
	Trade Deposit	**30.38**	28.20
		30.38	28.20
2.5	**Long Term Provisions**		
	Provision for Employees' Benefits [Note (2.41)- II]	**471.64**	447.30
	Others	**300.00**	300.00
		771.64	747.30
2.6	**Short Term Borrowings**		
	Secured		
	(i) **Loans repayable on demand**	**9,402.18**	10,985.00
	From Bank (Cash credit and WCDL)		
	Secured by (i) **first charge**, ranking pari passu (a) by way of hypothecation on the entire stocks and current assets of the Company (b) by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nasik,Maharashtra (c) by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal (ii) **second charge**, ranking pari passu,(a) on the fixed assets of the Company at its factory situated at Sikandarabad, Uttar Pradesh (b) by way of equitable mortgage of land and building situated at village-Chinnapuliyur, Taluka-Gummidipoondi , District- Tiruvallur, Tamil Nadu; and hypotehcation of plant and machienry to be purchased out of term loan.		
		9,402.18	10,985.00
2.7	**Trade Payables**		
	(i) Acceptances	**1,885.86**	2,591.19
	(ii) Sundry Creditors		
	a) Sundry creditors for bill discounting (Note 2.27A)	**3,022.00**	2,990.52
	b) Others	**10,780.32**	10,188.57
		15,688.18	15,770.29

(₹ in Lacs)

		As at 31.03.2016	As at 31.03.2015
2.8	**Other Current Liabilites**		
(i)	Current Maturity of Long-term debts	**946.75**	152.97
(ii)	Advance from Customer	**380.26**	351.23
(iii)	Unpaid Dividend	**11.75**	15.01
(iv)	**Other Payables**		
	Employee's remuneration	**174.56**	350.78
	Statutory Payment	**551.83**	692.62
	Discount and Rebate	**258.92**	348.92
	Others (Operating Expenses)	**946.51**	748.31
		3,270.58	2,659.84
2.9	**Short Term Provision**		
	Others		
(i)	Provision for Income tax (net)	**-**	-
(ii)	Proposed Dividend	**-**	-
(iii)	Tax on Proposed Dividend	**-**	-
(iv)	Provision for Employee Benefits [Note (2.41)- II]	**4.89**	6.07
		4.89	6.07
2.10	**Fixed assets**		
	Tangible Assets	**7,203.90**	7,319.39
	Intangible Assets	**257.18**	287.95
	Capital Work in Progress	**553.14**	76.61
	(refer Note no. 2.10.1)		
		8,014.22	7,683.95

Note No: 2.10.1 Fixed Assets

COMPANY ACT SCHEDULE STANDALONE 15-16 (₹ In Lacs)

	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
Particulars	As at April 1, 2015	Additions	Deletion / Adjust-ments	**As at Mar 31, 2016**	As at Apr 1, 2015	For the year (PL)	Deletion / Adjust-ments	**As at Mar 31, 2016**	**As at Mar 31, 2016**	As at Mar 31, 2015
I. Tangible Assets										
Land	1,071.36	-	-	**1,071.36**	-	-	-	**-**	**1,071.36**	1,071.36
Building	4,923.77	184.22	-	**5,107.99**	872.89	51.82	-	**924.71**	**4,183.28**	4,050.88
Plant & Machinery	2,821.03	83.69	96.02	**2,808.70**	1,681.74	126.74	92.56	**1,715.92**	**1,092.78**	1,139.30
Leased Equipment	1,940.40	8.31	-	**1,948.71**	1,178.05	137.36	-	**1,315.41**	**633.30**	762.35
Furniture and Fixture	471.86	2.96	0.12	**474.70**	276.19	49.24	0.04	**325.39**	**149.30**	195.67
Office Equipment	931.68	15.01	3.26	**943.43**	849.51	36.04	3.26	**882.29**	**61.14**	82.17
Motor Vehicles	113.41	-	5.19	**108.22**	95.73	4.89	5.13	**95.49**	**12.74**	17.69
Total (A)	12,273.52	294.19	104.59	**12,463.12**	4,954.10	406.09	100.99	**5,259.20**	**7,203.90**	7,319.39
Previous Year	7,366.18	4,303.54	(50.57)	**12,273.52**	4,419.56	523.93	(10.63)	**4,954.10**	**7,319.39**	-
II. Intangible Assets										
Computer software	702.58	67.48	-	**770.06**	559.67	71.46	-	**631.13**	**138.93**	142.91
Trade Mark	93.41	-	-	**93.41**	25.22	18.41	-	**43.63**	**49.77**	68.18
Technical know how	132.01	-	-	**132.01**	55.15	8.38	-	**63.53**	**68.48**	76.86
Total (B)	927.99	67.48	-	**995.48**	640.04	98.25	-	**738.29**	**257.18**	287.95
Previous Year`	766.84	161.15	-	**927.99**	576.59	63.45	-	**640.04**	**287.95**	-
III. Capital Work In Progress	76.61	573.94	97.40	**553.15**	-	-	-	**-**	**553.15**	76.61
Total (C)	76.61	573.94	97.40	**553.15**	-	-	-	**-**	**553.15**	76.61
Previous Year`	1,763.60	2,409.45	4,096.45	76.61	-	-	-	-	76.61	
Total (A+B+C)	13,278.11	935.61	201.99	**14,011.75**	5,594.14	504.34	100.99	**5,997.49**	**8,014.23**	7,683.97
Previous Year	9,896.62	6,874.14	4,045.88	13,278.11	4,996.15	587.37	(10.63)	5,594.14	7,683.97	-

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
2.11 Non Current Investments -		
Trade Investment, at cost		
(i) **Investment in Debentures or Bonds - Unquoted**		
₹ 6,500 1/2% Woodland Medical Centre Ltd.	**0.06**	0.06
₹ 17,000 5% Woodland Medical Centre Ltd.	**0.17**	0.17
(ii) **Investment in Mutual Funds - Quoted**		
UTI Infrastructure Fund -Growth	**20.00**	20.00
(Market value of 50925.374 Units @ NAV ₹ 37.38 as on 31.03.2016)		
	20.23	20.23
Aggregate amount of Unquoted Investments	**64.73**	64.73
Aggregate amount of Quoted Investments	**20.00**	20.00
Market Value of Quoted Investments	**19.04**	22.44
2.12 Deferred Tax Liabilities (net)		
(i) **Deferred Tax Assets**	**(686.69)**	597.17)
Expenses allowable on payment basis		
(ii) **Deferred Tax Liabilities**	**340.80**	348.24
Depreciation and related items (Note 2.37)		
	(345.89)	248.93)
2.13 Long Terms Loans and advances		
(Unsecured, considered good)		
(i) Security Deposit	**204.25**	219.83
	204.25	219.83

(₹ in Lacs)

		As at 31.03.2016	As at 31.03.2015
2.14	**Other Non Current Assets**		
	(Unsecured, considered good)		
	Preoperative & Others	**1.04**	6.14
		1.04	6.14
2.15	**Inventories**		
	(as taken, valued & certified by the management)		
	1) Raw Material		
	i) Raw Material	**2,231.06**	2,304.29
	ii) Raw Material in Transit	**129.17**	22.97
	2) Work- in -Progress	**326.38**	232.81
	3) Finished Goods		
	i) Finished Goods	**7,135.46**	7,228.63
	ii) Finished Goods in Transit	**329.85**	251.66
	Stock- in- Trade	**824.00**	420.79
	Stores & spares	**116.21**	136.75
		11,092.13	10,597.90
2.16	**Trade receivables**		
	(Unsecured, considered good)		
	(i) Outstanding for a period exceeding six months from due date	**3,137.88**	4,267.08
	(ii) Others	**11,247.07**	11,110.40
		14,384.95	15,377.48
	Less: Provision for Doubtful Debt	**(40.00)**	-
	Less: Bad Debts	**(20.76)**	(15.34)
		14,324.19	15,362.14
2.17	**Cash and Bank Balances**		
	Cash & Cash Equivalents:		
	(i) Balances with Bank (in current account)	**101.08**	59.08
	(ii) Cheque, drafts on hand	**749.82**	-
	(iii) Cash in hand	**15.63**	11.83
	(iv) **Other Bank Balances:**		
	Unpaid Dividend Account	**11.75**	15.01
	Fixed Deposit Account	**17.46**	-
	Margin Money	**6.96**	11.91
		902.70	97.83
2.18	**Short term loans and advances - Unsecured, considered good**		
	(i) **Others :**		
	Advances to suppliers	**617.33**	576.20
	Advance to Employee	**37.41**	35.06
	Advance Tax (Net of Provision for Tax)	**306.94**	300.83
		961.68	912.09
2.19	**Other Current Assets**		
	(i) Prepaid Expenses	**227.44**	165.24
	(ii) Short term deposit	**430.18**	343.45
	(iii) Other Receivables	**1,883.38**	1,971.44
	(iv) Balances with Revenue Authorities	**722.31**	571.08
		3,263.31	3,051.21

(₹ in Lacs)

		2015-16	2014-15
2.20	**Revenue from Operations**		
	(i) Revenue from Sale of Products	**47,902.19**	51,909.04
	(ii) Other Operating Revenue	**156.95**	220.69
		48,059.14	52,129.73
	Less : Discounts	**2,796.88**	3,804.91
		45,262.26	48,324.82
	Less : Excise duty	**4,968.93**	4,997.90
		40,293.33	43,326.92
2.21	**Other Income**		
	(i) Interest	**7.81**	2.74
	(ii) Profit on Sale of Fixed Assets	**4.03**	127.06
	(iii) Miscellaneous Receipts	**17.50**	44.42
		29.34	174.22
2.22	**Cost of Materials Consumed**		
	Organic acid/chemicals	**6,561.37**	6,962.03
	Pigments	**2,978.41**	3,993.17
	Solvents & Oils	**6,176.35**	8,313.99
	Packages and Packing Materials	**2,759.46**	3,119.32
	Others*	**5,066.02**	4,395.02
	* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
		23,541.61	26,783.53
2.23	**Purchase of Stock-in-Trade**	**3,222.61**	3,170.77
		3,222.61	3,170.77
2.24	**Changes in inventories of finished goods, work-in-progress and Stock-in-trade**	**-**	**-**
	Closing Stock		
	Finished Goods	**7,465.31**	7,480.29
	Work-in-progress	**326.38**	232.81
	Stock-in-trade	**824.00**	420.79
		8,615.69	8,133.89
	Opening Stock		
	Finished Goods	**7,480.29**	8,411.92
	Work-in-progress	**232.81**	241.78
	Stock-in-trade	**420.79**	238.22
		8,133.89	8,891.92
		(481.80)	758.03

(₹ in Lacs)

		2015-16	2014-15
2.25	**Employee Benefits Expense**		
	Salaries and Wages	**3,061.91**	3,259.17
	Contribution to provident and other funds	**149.95**	147.27
	Expenses on Employee Stock Option Plan	**6.99**	6.21
	Staff Welfare Expenses	**246.13**	257.14
		3,464.98	3,669.79
2.26	**Finance Costs**		
	Interest expense	**1,932.54**	1,795.42
	Foreign exchange gain / loss	**16.37**	99.57
	Other borrowing cost	**266.22**	170.19
		2,215.13	2,065.18
2.27	**Other Expense**		
	Consumption of stores and spare parts	**45.78**	57.46
	Power and fuel	**251.38**	228.10
	Rent	**477.44**	452.17
	Repairs to building	**10.33**	24.32
	Repairs to plant and machinery	**63.02**	107.24
	Insurance	**77.23**	34.34
	Rates and taxes	**16.56**	47.98
	Repairs - others	**145.28**	193.91
	Printing and stationery	**36.02**	65.00
	Communication expenses	**114.89**	143.06
	Directors' fees	**4.80**	4.40
	Payment to the Auditor (note no. 2.30)	**13.60**	12.04
	Cost Audit Fees	**-**	0.55
	Commission on sales	**148.48**	150.28
	Travelling expenses	**590.83**	631.89
	Application Charges	**164.07**	249.06
	Freight	**2796.20**	3234.78
	Discount & Rebates	**1913.40**	1759.60
	Bad Debts	**20.76**	15.34
	Provision for Bad & Doubtful Debt	**40.00**	-
	Miscellaneous Expenses	**497.38**	651.32
		7,427.45	8,062.84

(₹ In lacs)

		2015-2016	2014-2015
2.27A	Liabilities in Note 2.7(ii)(a) comprise : (i) ₹ 0.00 Lacs (Previous Year ₹ 1250.67 Lacs) outstanding in respect of discounting facilities granted by Small Industries Development Bank of India (SIDBI) as well as interest accrued but not due thereon. Facilities were secured by a first charge on Company's entire fixed assets of Sikandrabad Plant.		
	(ii) ₹ 3022.00 Lacs (Previous Year ₹ 1739.85 Lacs) outstanding in respect of discounting facilities granted by AXIS Bank Ltd. as well as interest accrued but not due thereon.		
2.28	**Contingent Liabilities**		
	Contingent liability not provided for in respect of:		
	i) Excise Duty	**302.59**	293.71
	ii) Bank Guarantee	**774.40**	1479.10
	iii) Sales Tax	**676.73**	576.04
	iv) Claims against the Company not acknowledged as debt (to the extent ascertained)	**73.86**	74.36
	v) Income Tax	**53.68**	47.95
2.29	**Commitments**		
	(i) Estimated amount of capital commitments, net of advance of ₹ 411.60 lacs (previous year ₹ 516.80 lacs)	**1.42**	186.49
	(ii) Uncalled Liability on Partly paid up shares	**40.50**	40.50
2.30	**Auditors' Remuneration**		
	Audit Fees	**6.60**	6.00
	Tax Audit Fees	**1.25**	1.00
	Certification fees and other Services	**2.95**	2.05
	Reimbursement of Exp.	**2.80**	2.99
2.31	**CIF Value of Imports**		
	Raw Materials	**1578.28**	2207.00
2.32	**Expenditure in foreign currency**		
	Purchase of Raw Material	**1516.47**	2946.033
	Travelling Expenses	**1.72**	3.81
	Testing Charges	**3.76**	2.47
2.33	**Earnings in foreign currency**		
	FOB Value of Export	**278.48**	306.14

(₹ In lacs)

2.34	**Amount remitted in foreign currency on account of dividend**	**2015-2016**	2014-2015
	a) Number of Non-resident shareholders	**NIL**	NIL
	b) Number of shares held by them	**NIL**	NIL
	c) Amount of dividend remitted	**NIL**	NIL
	d) Year to which dividend relates	**NIL**	NIL

2.35 Consumption of imported and indigenous raw materials & stores

	2015-16		2014-15	
	%	**Rs. (Lac)**	%	Rs. (Lac)
Imported	**7.91**	**1865.28**	10.98	2946.03
Indigenous	**92.09**	**21722.11**	89.02	23894.96
	100.00	**23587.39**	100.00	26840.99

2.36 Disclosure under the Micro, Small & Medium Enterprises Development Act, 2006

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure if any relating to amount unpaid as at the year end together with interest paid / payable as required under the said Act have not been given.

2.37 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax Assets amounting to Rs 96.96 lakhs has been recognised.

	Opening as at 01.04.2015 (₹ In lacs)	Charge /(Credit) during the year (₹ in lacs)	**Closing as at 31.03.2016 (₹ in lacs)**
Deferred Tax Assets			
Expenses allowable on payment basis	597.17	89.52	**686.69**
Deferred Tax Liabilities			
Depreciation and related items	(348.24)	7.44	**(340.80)**
Other Adjustments	-	-	**-**
Net Deferred Tax Assets / (Liabilities)	248.93	96.96	**345.89**

2.38 Future minimum lease rentals receivable as at the year end (as per the lease agreements) :

(₹ in lacs)

		2015-2016	2014-2015
i)	Not later than one year	**-**	3.25
ii)	Later than one year and not later than five years	**-**	8.15
iii)	Later than five years	**-**	-
		-	11.40

2.39 Related party disclosure in accordance with the Accounting Standard 18 "Related Party Disclosures" issued by the Institute of Chartered Accountants of India.

(₹ in lacs)

Name of the related parties with whom the transactions have been made	**Description of relationship with the party**	**Nature of Transaction**	**Amount outstanding as on March 31, 2016**	**Transactional Value 2015-2016**
Sameer Nagpal	Managing Director	Remuneration	**0.00** (9.33)	**17.77** (112.00)
Ratan Jindal	Non-Executive Director	Sitting Fees	**0.00** 0.00	**0.80** (0.60)
Girish Sunder Jhunjhnuwala	Non-Executive Director	Sitting Fees	**0.00** 0.00	**0.40** (0.30)
Surender Kumar	Executive Director	Remuneration	**0.00** (0.00)	**70.77** (0.00)
Nitin Gupta	Company Secretary	Salary	0.00 (0.00)	**2.63** (0.00)
Bernadette Dominic	Company Secretary	Salary	**0.00** (0.00)	**2.09** (0.00)
Jindal Steel & Power Ltd.	Company in which Directors and/ or Relatives are interested	Sales	515.30	1445.61

(₹ in lacs)

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2016	Transactional Value 2015-2016
Jindal Saw Ltd.	Company in which Directors and/ or Relatives are interested	Sales	21.98	83.78
JSW Energy Ltd.	Company in which Directors and/ or Relatives are interested	Sales	48.95	108.50
JSW Steel Ltd.	Company in which Directors and/ or Relatives are interested	Sales	27.61	**238.51**
Jindal Industries Pvt Ltd	Company in which Directors and/ or Relatives are interested	Sales	32.11	180.88
Jindal Stainless Ltd.	Company in which Directors and/ or Relatives are interested	Sales	**0.00** (26.96)	**0.00** (73.99)
Jindal Stainless Ltd.	Company in which Directors and/ or Relatives are interested	Reimbursement of expenses incurred by related party	**0.00** (0.00)	**0.15** (0.00)

(Note – Financial figures in bracket relate to previous year)

2.40 Earning Per Share

(Amt in ₹)

Particulars	2015-2016	2014-2015
(a) Profit / (Loss) for the year, as per statement of profit and loss (₹ In lacs)	**525.31**	(1,058.41)
(b) Weighted Average number of Equity Shares (Nos.)	**18,939,717**	18,928,100
(c) Effect of potential Dilutive Equity shares on Employee stock option outstanding (Nos.)	**152,375**	223,196
(d) Weighted Average number of Equity shares in computing diluted Earnings per share {(b)+(c) }	**19,092,092**	1,91,51,296
(e) Earning per Share (in Rupees)		
Basic	**2.79**	(5.59)
Diluted	**2.76**	(5.53)

2.41 Employees' Benefits

The Company has adopted Accounting Standard 15 (Revised) Employee Benefits with effect from 1st April, 2007.

The following disclosures are made in accordance with Accounting Standard 15 (Revised) pertaining to Defined Benefit Plans :

(a) Defined Benefits Plans / Compensated absences - As per actuarial valuation on 31st March 2016

I Expense recognized in the Statement of Profit and Loss

		Gratuity Funded		Leave Encashment Non funded	
		2015-16	2014-15	2015-16	2014-15
1	Current Service Cost	29.59	29.87	13.42	15.75
2	Interest on Cost	32.56	41.79	5.32	9.26
3	Employee Contribution	--	--	--	--
4	Expected Return on plan assets	(3.10)	(6.86)	--	--
5	Net Actuarial (Gain) / Losses	(0.87)	65.99	1.98	6.37
6	Past Service Cost	--	--	--	--
7	Settlement Cost	--	--	--	--
8	Total Expenses	58.18	130.79	20.72	31.38

II Net Assests / (Liability) recognized in the Balance Sheet.

		2015-16	2014-15	2015-16	2014-15
1	Present Value of Defined Benefits of Obligation as at March 16	436.95	420.06	57.17	68.71
2	Fair Value of plan assets as at March 16	17.58	35.40	--	--
3	Funded status [Surplus/(Deficit)]	(419.37)	(384.66)	(57.17)	(68.71)
4	Net Assets/(Liability) as at March 16	(419.37)	(384.66)	(57.17)	(68.71)

III Change in Obligation during the Year ended

		2015-16	2014-15	**2015-16**	2014-15
1	Present Value of Defined Benefit Obligation at beginning of the Year	**420.06**	464.32	**68.71**	102.85
2	Current Service Cost	**29.59**	29.87	**13.42**	15.75
3	Interest Cost	**32.55**	41.79	**5.32**	9.26
4	Settlement Cost	**--**	--	**--**	--
5	Past Service Cost	**--**	--	**--**	--
6	Employee Contributions	**--**	--	**--**	--
7	Plan Amendments	**--**	--	**--**	--
8	Actuarial (Gain)/ Losses	**(1.64)**	(69.04)	**1.98**	6.37
9	Benefits Payments	**(43.61)**	(46.88)	**(32.26)**	(65.52)
10	Present value of Defined Benefits Obligation at the end of year	**436.95**	420.06	**57.17**	68.71

IV	**Change in Assets during the Year**	**2015-16**	2014-15	**2015-16**	2014-15
1	Plan assets at the beginning of the year	**35.39**	78.45	**--**	--
2	Plan assets acquired on amalgamation in Previous Year	**--**	--	**--**	--
3	Settlements	**--**	--	**--**	--
4	Expected return on plan assets	**3.10**	6.86	**--**	--
5	Contributions by employer	**23.47**	--	**32.26**	65.52
6	Actual benefits paid	**(43.61)**	(46.88)	**(32.26)**	(65.52)
7	Actual Gains/ (Losses)	**(0.77)**	(3.04)	**--**	6.37
8	Actual return on Plan assets	**--**	--	**--**	--
9	Plan assets at the end of the year	**17.58**	35.39	**--**	**--**

V	**Actuarial Assumptions:**	**As at 31.03.2016**	As at 31.03.2015
1	Discount Rate	**7.85%**	7.75%
2	Rate of increase in salaries	**2.00%**	3.00%
3	Rate of return on Plan Assets :		
	1) Leave Encashment	**N.A.**	N.A.
	2) Gratuity	**8.00%**	8.75%
4	Mortality		As per IALM (2006-2008) Ultimate.
5	Withdrawal rate	2.00%p.a	2.00%p.a

2.42 The Company has resolved to de-commission its Chennai Plant, due to technical reasons, with effect from 06th April 2015, and depreciation after de-commissioning has not been charged to revenue. The said assets will be put to use once the plant restarts.

2.43 The Company, on the basis of expert opinion, is of the view that there will be no income tax liability as per the normal provisions of income tax or under MAT having regard to carry forward losses(as per the income tax) & book losses of financial years 2013-14 & 2014-15 , as brought forward losses for the current year.

2.44 The insurance claim of loss for damage of building & inventories due to fire in Howrah Plant is yet to be assessed by the Insurer . Fixed assets and inventories, except the said damaged assets, have been verified & valued fairly during the year by the Company as per its accounting policy with no material discrepancy.

2.45 Some of the debtors, creditors & advances are pending confirmation /reconciliation, and impact of the same, if any, is unascertained.

2.46 Miscellaneous Expenses is net off of Rs. 112.63 lacs on account of liability written back (previous year Rs. 65.43 lacs).

2.47 The Company operates mainly in one business segment i.e. Paints.

2.48 The Company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints.

2.49 The Company has two subsidiaries, namely "Shalimar Adhunik Nirman Limited" (SANL) & "Eastern Speciality Paints & Coatings Private Limited" (ESPCPL). The information in respect of the said subsidiaries, as required to be given vide general circular no. 2/2011 dated 8th February,2011 issued by the Ministry of Corporate Affairs, are given below:

(Rs. In Lacs)

		SANL	**ESPCPL**
a) Capital (paid up)	:	59.50	5.00
b) Reserves	:	(2.21)	NIL
c) Total Assets	:	721.20	5.16
d) Total Liabilities	:	721.20	5.16
e) Detail of Investment (except in case of investment in the subsidiaries)	:	NIL	NIL
f) Turnover	:	NIL	NIL
g) Profit before Taxation	:	(3.20)	NIL
h) Provision for Taxation	:	0.99	NIL
i) Profit after Taxation	:	(2.21)	NIL
j) Proposed Dividend	:	NIL	NIL

Since there is no business activities by the ESPCPL / profit during the year ended 31st March, 2016, tax provision including deferred tax, have not been made.

2.50 Finance charges include foreign exchange loss of ₹ 16.37 lacs (previous year ₹ 99.57 lacs).

2.51 Previous year's figures have been regrouped / rearranged, wherever necessary

Signatures to Notes 1 to 2

For **CHATURVEDI & PARTNERS**
Chartered Accountants
(Firm Regn. No. 307068E)

A. K. Dubey
Partner
(Mem. No. 054975)

New Delhi
May 28, 2016

For and on behalf of the Board

Rajiv Rajvanshi
Director
DIN: 00036605

Surender Kumar
Whole Time Director and CEO
DIN: 00510137

Janak Raj Goyal
Head- Finance & Accounts

Nitin Gupta
Company Secretary
Mem No. F8485

NOTES

ATTENDANCE SLIP

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611
Registered Office: 4th Floor, Plot No. 64, Sector – 44, Gurgaon, Haryana - 122001
Phone: 0124-4616600; Fax: 0124-4616659; email: hwhsec@shalimarpaints.com
Website: www.shalimarpaints.com

Venue of the Meeting: Galaxy Hotel Shopping & Spa, NH-8, Sector 15 , Part – II, Gurgaon - 122001

Date & Time: 28th September, 2016 at 11:00 A.M.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

Name	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No	
No of shares held	

*Applicable for investors holding shares in Electronic form.

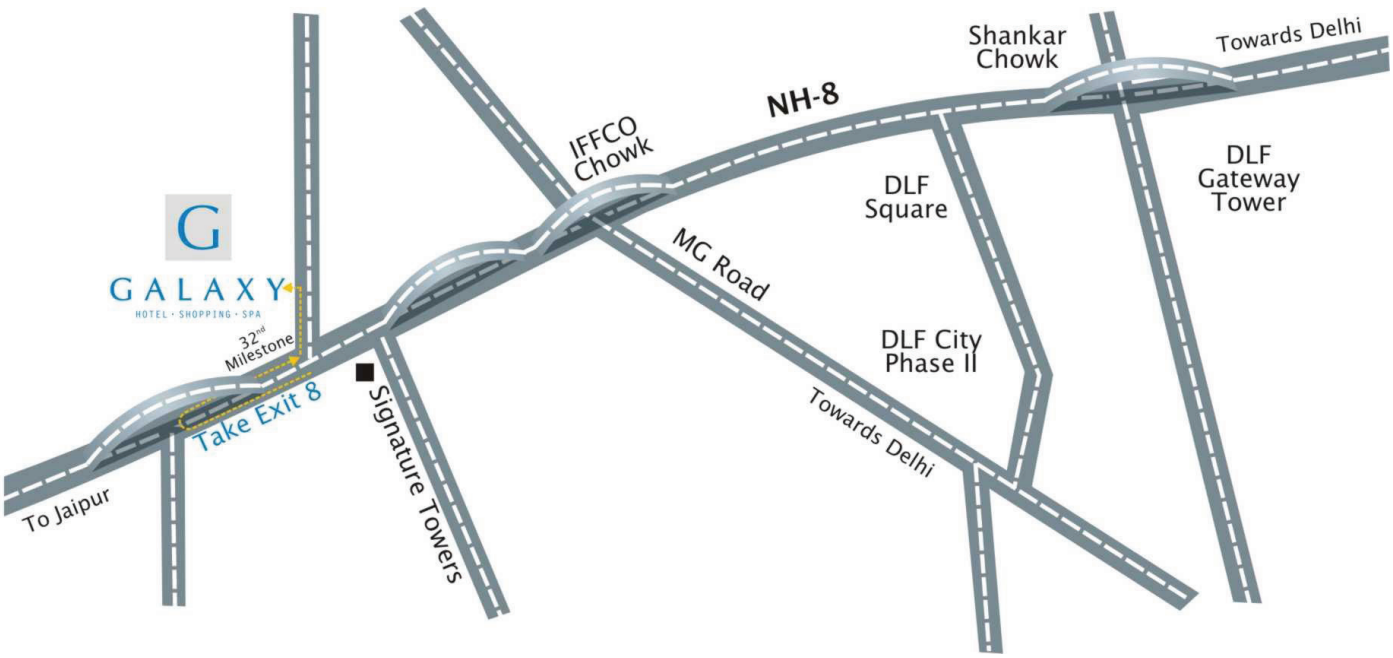
I certify that I am the registered shareholders/ proxy for the registered shareholder of the Company.

I hereby record my presence at the 114th Annual General Meeting of the Company being held on 28th September, 2016 at 11:00 A.M. at Galaxy Hotel Shopping & Spa, NH-8, Sector 15 , Part – II, Gurgaon - 122001.

_____
Signature of Member / Proxy

Note:
1. Electronic copy of the Annual Report for 2016 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Shareholders receiving electronic copy and attending the Annual General Meeting can print copy of this Attendance Slip.
2. Physical copy of the Annual Report for 2016 and Notice of the Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email id is not registered or have requested for a hard copy.

Route map to the venue of the 114th AGM of Shalimar Paints Limited



Address:-

Galaxy Hotel Shopping & Spa

NH-8, Sector 15, Part-II,

Gurgaon-122001

Tel: 0124-4868088

Email ID: galaxybanquets@galaxyhotel.in

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611
Registered Office: 4th Floor, Plot No. 64, Sector – 44, Gurgaon, Haryana - 122001
Phone: 0124-4616600; Fax: 0124-4616659; email: hwhsec@shalimarpaints.com
Website: www.shalimarpaints.com

Form No. MGT-11

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014

CIN: L24222HR1902PLC065611

Name of the Company: Shalimar Paints Limited

Registered Office: 4th Floor, Plot No. 64, Sector-44, Gurgaon, Haryana-122001

Name of the Member(s)	
Registered Address	
Email ID	
DP ID*	
Client ID*	
Folio No	

*Applicable for investors holding shares in Electronic form.

I/We being the member(s) of _____ shares of the above named Company hereby appoint

1. Name: _____ Email Id: _____

Address:_____

Signature: _____ Or failing him/her

2. Name: _____ Email Id: _____

Address:_____

Signature: _____ Or failing him/her

3. Name: _____ Email Id: _____

Address:_____

Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/ our behalf at the 114th Annual General Meeting of the Company to be held on 28th September, 2016 at 11:00 A.M. at Galaxy Hotel Shopping & Spa, NH-8, Sector 15 , Part – II, Gurgaon - 122001 or/ and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
Ordinary Business	
1.	Adoption of the Audited Financial Statements for the year ended 31st March, 2016 and the Reports of the Board and Auditors thereon
2.	Appointment of Auditors and fixing their remuneration
Special Business	
3.	Vacancy caused by retirement of Mr. Ratan Jindal (DIN 00054026), who retires by rotation and who does not seek re-appointment, be not filled up
4.	Appointment of Mr. Gautam Kanjilal (DIN: 03034033), as Director of the Company
5.	Approval of Remuneration payable to Mr. Surender Kumar (DIN: 00510137) w.e.f 1st October, 2015
6.	Approval of Remuneration payable to Mr. Surender Kumar (DIN: 00510137) w.e.f 1st April, 2016
7	Appointment of Mr. Surender Kumar (DIN: 00510137), as Managing Director and CEO of the Company
8	Waiver of excess remuneration payable to Mr. Sameer Nagpal, Ex-Managing Director & CEO of the Company
9	Adoption of new set of Articles of Association of the Company
10	Adoption of new set of Memorandum of Association of the Company

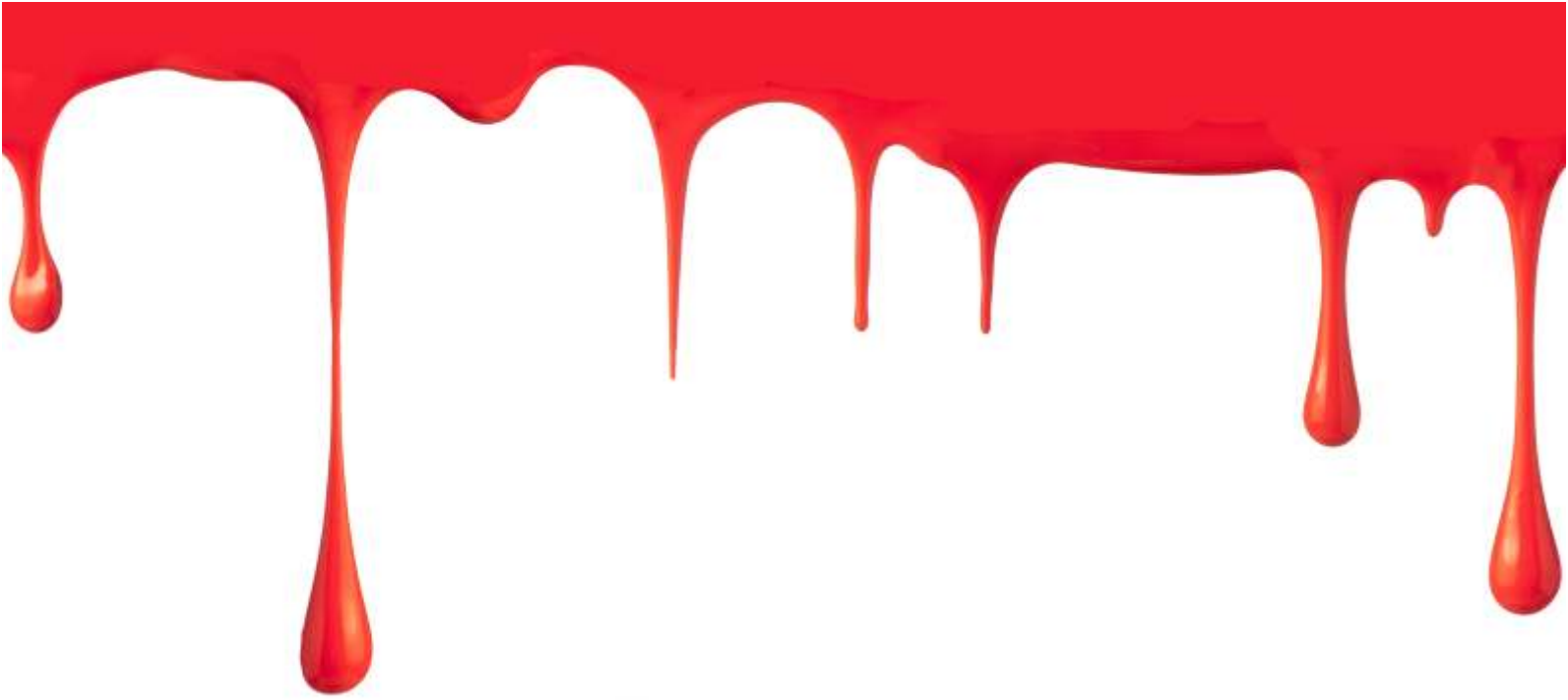
Affix Rupee One Revenue Stamp

Signed this _____ day of _____

Signature of Shareholder _____

Signature of proxy holder(s) _____

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.



SHALIMAR
PAINTS

Registered & Corporate Office

4th Floor, Plot No. 64, Sector-44, Gurgaon, Haryana – 122001
Tel.: (124) 4616600, Fax.: (124) 4616659
Email Id: askus@shalimarpaints.com, feedback@shalimarprpaints.com
website : www.shalimarpaints.com
CIN: L24222HR1902PLC065611