August 18, 2026

BSE Limited
Corporate Relationship Department,
1st Floor, New Trading Ring,
Rotunda Building, P.J. Towers,
Dalal Street, Fort, Mumbai - 400 001

National Stock Exchange of India Limited
Exchange Plaza, 5th Floor,
Plot No. C/1, G- Block
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051

BSE Scrip Code: 509874

NSE Symbol: SHALPAINTS

ISIN: INE849C01026

Dear Sir/Madam,

Sub: Annual Report for the Financial Year ended March 31, 2026, and Notice of 124th Annual General Meeting ("AGM") and E-voting details.

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"), we are enclosing herewith the Annual Report for the Financial Year 2025-26, and Notice dated August 12, 2026, setting out the business to be transacted at the 124th AGM of the Members of the Company scheduled to be held on **Wednesday, September 09, 2026, at 12:30 p.m.**, through Video Conference ("VC").

We also wish to inform you that pursuant to Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management & Administration) Rules, 2014 and Regulation 44 of LODR, the Company is providing remote e-voting facility to all its Members (holding shares in physical and dematerialized form) to enable them exercise their right to vote by electronic means on the resolutions proposed at the 124th AGM.

We hereby submit the following information for the ready reference of the Members of the Company:

Sr. No.	Particulars	Remarks
1	Name of the Company	Shalimar Paints Limited
2	ISIN	INE849C01026
3	Name of the Agency providing E-voting platform	National Securities Depository Limited ("NSDL")
4	Name of Scrutinizer	Mr. Ankush Agarwal (COP No 14486), Partner of M/s. MAKS & CO., Company Secretaries (FRN P2018UP067700),
5	Cut-off date for E-voting entitlement	Wednesday, September 02, 2026
6	E-voting Start Date & Time	Saturday, September 05, 2026 (09:00 a.m.)
7	E-voting End Date & Time	Tuesday, September 08, 2026 (05:00 p.m.)
8	No. of Resolutions	5
9	Announcement of Results	Within two working days of conclusion of the AGM

In accordance with the relevant circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI"), the Notice of the AGM and the Annual Report of the Company for the Financial Year 2025-26 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company and/or Depository Participant(s) and the physical copies of the same will be provided to the members on request.

The Notice of the AGM and the Annual Report for the Financial Year 2025-26 are also uploaded on the Company's website at www.shalimarpaints.com and on the website of National Securities Depository Limited ("NSDL") at https://www.evoting.nsdl.com

This is for your information and records purpose.

Thanking You,

Yours Faithfully,
For Shalimar Paints Limited

SNEHAL SABOO Digitally signed by SNEHAL SABOO Date: 2026.08.18 15:09:14 +05'30'

Snehal Saboo
Company Secretary & Compliance Officer
Membership No. A49811

SHALIMAR
PAINTS
SINCE 1902

ANNUAL REPORT

2025-26

MARKSMEN DAILY
MOST TRUSTED BRANDS OF INDIA
6TH EDITION
2026 - 27

CONTENTS

DR. RAJEEV UBEROI
CHAIRMAN

Dear Shareholders,

It gives me immense pleasure to address you once again and share the progress made by Shalimar Paints, India's oldest paint company, as we continue our journey towards regaining our rightful position in the industry. While the Company witnessed muted growth in the Industrial Coatings segment during the year, we have laid a strong foundation for sustainable long-term growth through strategic investments, innovation, and organizational transformation.

Guided by our vision of becoming one of India's top five paint companies, we have embarked on an ambitious modernization programme across our manufacturing network. We are investing in capacity augmentation, automation, modernization, and productivity enhancement at our manufacturing facilities in Sikandrabad, Nashik, and Chennai, while simultaneously upgrading our Research & Development Centre at Nashik. These investments are strengthening our manufacturing capabilities and enabling us to cater to emerging high-value coating segments with enhanced quality, consistency, and operational efficiency.

Innovation continues to remain at the heart of our growth strategy. During the year, we strengthened our portfolio with the launch of several promising products across the emulsion, enamel, and waterproofing categories. These introductions, supported by focused research and development, are designed to address evolving consumer preferences while expanding our presence across premium as well as value segments.

These initiatives form an integral part of our "Shalimar 2.0" transformation journey. While Shalimar Paints has enjoyed the trust of generations of customers, Shalimar 2.0 represents our commitment to transforming the Company into a modern, agile, technology-driven organization. We are reimagining every aspect of the business–from manufacturing and product innovation to customer engagement and digital capabilities–to build a stronger, future-ready organization.

We are modernizing our procurement, sales, and business processes through greater automation and digitalization. New business models and products are also being developed to serve rural and semi-urban markets with customized, affordable offerings tailored to their specific requirements.

Despite intense competition, geopolitical uncertainties, and continued volatility in raw material availability and prices, the Company delivered encouraging revenue performance during the year. While these external factors exerted pressure on margins, the management remained focused on safeguarding profitability through disciplined cost optimization and operational excellence.

To mitigate the impact of input cost inflation, we have implemented several strategic initiatives, including sourcing raw materials through reverse auctions, increasing direct imports of select raw materials, and optimizing product formulations through focused R&D efforts. I am pleased to share that the Company achieved a positive EBITDA in the final quarter of the previous financial year, an encouraging milestone that reflects the effectiveness of our transformation initiatives and reinforces our confidence in the path ahead.

Looking ahead, our priorities remain clear. We will continue to strengthen our market presence, improve operating margins, invest in innovation and technology, and create long-term value for all stakeholders. I am confident that Shalimar Paints is well positioned to deliver sustainable and profitable growth in the years to come.

On behalf of the Board of Directors, I extend my sincere gratitude to our shareholders, investors, employees, customers, dealers, suppliers, bankers, and all our business partners for their unwavering trust, continued support, and confidence in the Company. Your encouragement inspires us to pursue excellence and build a stronger Shalimar Paints for the future.

I also convey my warm wishes to you and your families for a joyful, prosperous, and festive season.

Thank you.

Dr. Rajeev Uberoi

MR. KULDIP RAINA
MD & CEO

FY 2025-26 was a landmark year for Shalimar Paints, marked by resilient performance across its business segments despite a challenging operating environment. Against the backdrop of subdued industry demand, an extended monsoon season, and geopolitical uncertainties, your company reported net revenue of over **₹522 crores.** This performance enabled Shalimar Paints to protect its market presence and strengthen its position across both the Decorative Paints and Industrial Coatings segments.

The Decorative Paints Division remained your company's primary growth engine, contributing approximately **63%** of total revenue. While the Industrial Coatings business witnessed a decline, primarily due to reduced pipeline coating demand and the impact of geopolitical developments during the latter half of the financial year, your Company continued to focus on strengthening its capabilities and expanding opportunities in high-value industrial applications.

A key highlight of the year was the successful execution of Shalimar Paints' innovation and premiumization strategy. During the year, your company launched **eight new products** across multiple categories, including advanced water-based emulsions under the **Hero** brand, PU enamels under the **Superlac** brand, specialized waterproofing primers under the **Zero Damp** range, and an affordable portfolio of painting accessories under the **Magic** brand. These launches strengthened your company's product portfolio across multiple price points, enabling it to cater to evolving consumer preferences while enhancing its competitive positioning.

To further expand its market reach, your Company accelerated its distributor-led business model, with the appointment of **over 100 new distributors** during the year. This strategic initiative significantly enhanced Shalimar Paints' presence in rural and semi-urban markets by improving the availability of its value-oriented product portfolio and strengthening last-mile delivery capabilities. The expanded distribution network is expected to drive deeper market penetration and create a sustainable platform for long-term growth.

The success of your company's innovation strategy was reflected in the commercial performance of its newly introduced products, which contributed approximately **8% of total** revenue during the year. This achievement demonstrates Shalimar Paints' ability to successfully convert research and development efforts into market-ready solutions that address changing customer requirements while creating meaningful business value.

Your company also continued to strengthen its brand equity through impactful marketing initiatives. Shalimar Paints collaborated with major Bollywood productions, including **Vadh 2, Thamma, & Do Deewanein Sheher Mein,** leveraging product integrations and promotional campaigns featuring leading celebrities. These initiatives generated over **10 million digital views,** significantly enhancing brand visibility and consumer engagement.

Your company's Above-the-Line (ATL) marketing efforts further amplified brand awareness during the festive season. The **WeatherGuard 12** campaign achieved extensive television visibility with more than **33,000 seconds of telecast** during the Diwali period, supported by prominent L-band branding. The campaign was reinforced through radio advertising across key markets, with over **12,000 seconds** of airtime, while on-ground visibility was enhanced through transit media, including branding across **more than 1,000 Uber cabs** in Delhi and Kolkata.

Adding to these achievements, Shalimar Paints was honoured with the prestigious **"Most Trusted Brand"** award for the second consecutive year. This recognition reinforces your company's enduring legacy of over a century, built on quality, innovation, reliability, and the trust of millions of customers across India.

With a strengthened product portfolio, expanded distribution network, enhanced manufacturing capabilities, and continued investment in brand building and innovation, Shalimar Paints remains well positioned to capitalize on emerging market opportunities and deliver sustainable, long-term value to all its stakeholders. A significant milestone during the year was your company's successful financial turnaround. After operating under a negative profitability trajectory, Shalimar Paints achieved **positive EBITDA in the fourth quarter of FY 2025-26.**

DECORATIVE PAINTS

HERO WEATHER GUARD 12

SUPER LUXURY EXTERIOR EMULSION

Hero Weather Guard 12 is formulated with advanced hybrid acrylic-PUD emulsion technology for long-lasting wall protection. It delivers a rich, luxurious sheen finish. Engineered for performance, it comes with a 12-year warranty, offering long-term defense against environmental stresses. The formulation provides outstanding resistance to fading and includes heat-reflective properties.

ZERO DAMP ADVANCE

WATERPROOFING BASE-COAT

Zero Damp Advance is a cutting-edge waterproofing solution with a unique blend of PU hybrid polymers and reinforcing acrylic fibers. Once applied, it transforms into a robust, seamless membrane that provides unparalleled protection against water percolation. Its innovative formula ensures superior durability and reliability, making it the ultimate choice for waterproofing needs.

HERO INSIGNIA

SUPER LUXURY INTERIOR EMULSION

Hero Insignia comes with hybrid binder technology which imparts the toughness & high level of inertness for long lasting, luxurious and stain free walls. It delivers rich and bright colors with a touch of refined and delicate sophistication. It also has excellent scuff resistance which keep.

SUPERLAC ENAMEL

PU GLOSS

PU reinforced enamel which imparts robust, tough and glossy paint film providing superior durability. Contributing to cleaner and more hygienic surfaces, it resists bacterial & fungal attack. Comes with 2 years warranty, keeping the paint looking as good as new for a long time.

INDUSTRIAL PAINTS

PROTECTIVE COATINGS

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

CAN COATINGS

We are the leading coating manufacturer & supplier in the organised paints and metal packaging segments in India. It is well known as a proven special range of Shalimar paints product for General line tin cans, Open top cans, Beverage containers, Food cans, Pilfer proof (PP) caps, Draw & Redraw (DRD) Caps and many more segment. Our product bucket constitute Size, Base, Varnish and lacquer in multiple chemistries like alkyd, acrylic, alkyd amino, epoxy, epoxy phenolic, vinyl etc for both food grade and non-food grade metal containers for internal and external of metal container and caps as well. Many of these product meets USFDA/21 CFR 175:300 and REACH compliances because of withstanding a wide range of temperature and pressure while food is being packed and protect any metal constituents to leach out in the food & keeps human health safe, at the same time providing excellent adhesion & no peel off during can production and increases shelf life of can if there is deformation of the can. Over and above, It protects container from corrosion in case of highly acidic foods.

PIPELINE COATINGS

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

APPLY SUPPLY SERVICE

With our Experienced NACE/BGAS Certified Team we plan and execute both maintenance and new project job taking full responsibility of supply and application after complete corrosion survey (SHALICORR) and assuring high precision deliverables, Optimized Project execution efficiency, Ensuring Environment , Health and Safety. This methodology also leads to no No dependency on the applicator for client where we Ensure High productivity, Rapid Decision Making on any aspect of site and Warranty on the execution job

Original Equipment Manufacturer (OEM)

We are in Original Equipment Manufacturer (OEM) segment where we do have specialised and technical customised products. This involves just in services with high-performance formulations which further in heavy machinery, Truck Body, Agricultural machinery, FRP Components, Auto parts, Metal door, Construction Equipment's, Industrial equipment and many more.

TUFFKOTE

Protecting National Assets Since 1902

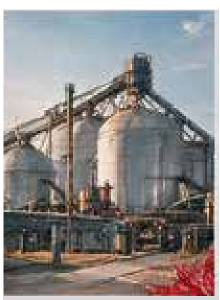
For over a century, Shalimar Paints has been in the business of protecting national assets by enhancing effective service life of plants & machinery with its TUFFKOTE range of high-performance coatings such as high-build zinc coatings, polyurethane paint for railway coaches, etc.

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


Oil & Gas

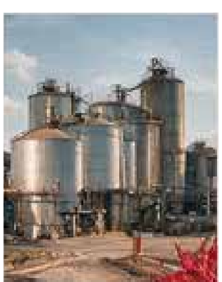

Pipe Coatings


Power Projects


Sugar

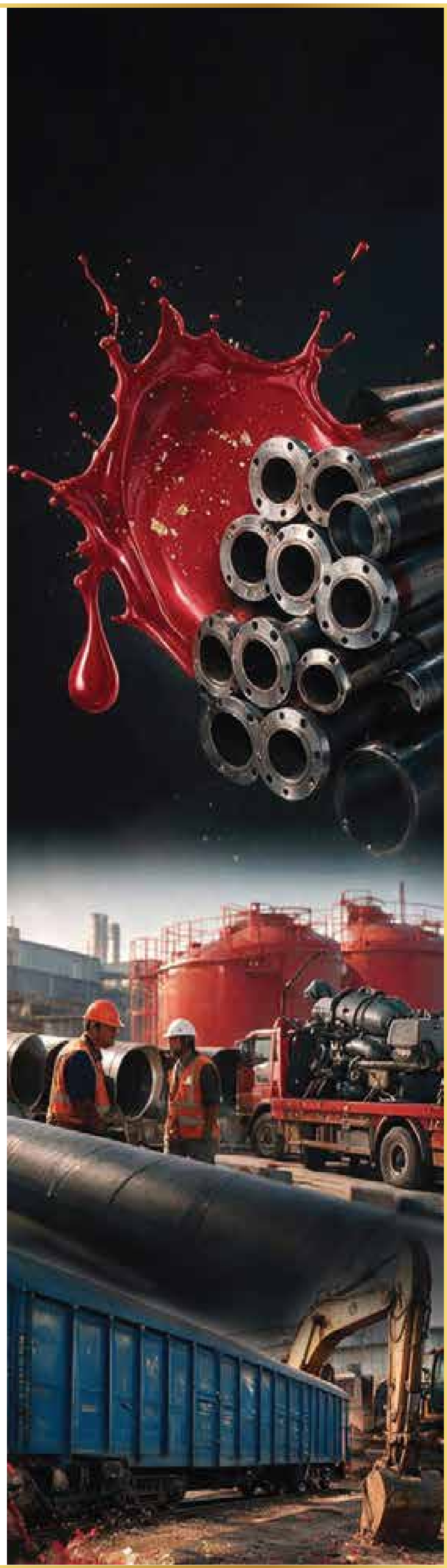

Paper & Pulp Industries


Chemicals


Fertilizers


Agriculture


OEMs



Board of Directors

Dr. Rajeev Uberoi
Chairman, Independent Director

Mr. Kuldip Raina
MD & CEO
(w.e.f April 10, 2025)

Mr. Aaditya Sharda
Non-Executive Director

Mr. Souvik Sengupta
Non-Executive Director

Mr. Abhijeet Jhawar
Non-Executive Director
(w.e.f May 12, 2026)

Mr. Vijay Kumar Sharma
Independent Director

Ms. Shan Jain
Independent Director

Mr. Atul Rasiklal Desai
Independent Director

CORPORATE INFORMATION

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

Corporate Office
Olethia Business Spaces, Road No 16Z,
Opp. Ashar IT Park, Wagle Industrial Estate,
Thane (W), Maharashtra - 400604

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

Statutory Auditors
Walker Chandiok & Co. LLP
16th Floor, Tower III,
One International Center,
SB Marg, Prabhadevi (W),
Mumbai - 400013, Maharashtra, India

Chief Financial Officer
Mr. Sachin Naik
(Upto May 30, 2026)

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

Company Secretary & Compliance Officer
Ms. Snehal Saboo

Corporate Identification Number
L24222HR1902PLC065611

Website
www.shalimarpaints.com

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611

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

Corporate Office: Olethia Business Spaces, Plot No. A184 and A185, Road No. 16Z, Opposite Ashar IT Park, Wagle Industrial Estate, Thane, Maharashtra 400604

Email: askus@shalimarpaints.com; **Website**: www.shalimarpaints.com;

Toll Free: 1800 103 6509

Notice

NOTICE is hereby given that, the **124th ANNUAL GENERAL MEETING** of **SHALIMAR PAINTS LIMITED** will be held on **Wednesday, September 09, 2026** at **12:30 p.m. (IST)** through video conference ("VC"), to transact the following businesses. The venue of the meeting shall be deemed to be at the Registered Office of the Company at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana – 122 001.

ORDINARY BUSINESS:

Item No. 1 – TO RECEIVE, CONSIDER AND ADOPT:

a) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026, together with the reports of the Board of Directors and Auditors' thereon; and

b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026, together with reports of Auditors' thereon and in this regard, to consider and if thought fit, to pass with or without modifications, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2026 together with the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted;

RESOLVED FURTHER THAT the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2026 together with the report of the Auditors thereon, as circulated to the Members, be and are hereby received, considered and adopted."

Item No. 2 – TO CONSIDER AND IF THOUGHT FIT, PASS FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION TO APPOINT A DIRECTOR IN PLACE OF MR. AADITYA GAJENDRA SHARDA (DIN 07024283), WHO RETIRES BY ROTATION AT THIS MEETING AND BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT

"RESOLVED THAT in accordance with Section 152 and all other applicable provisions, if any, of the Companies Act, 2013, Mr. Aaditya Gajendra Sharda (DIN 07024283), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

Item No. 3 – INCREASE AND RESTRUCTURING IN AUTHORISED SHARE CAPITAL OF THE COMPANY

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

"RESOLVED THAT pursuant to the provisions of Section 61(1)(a), 64 and all other applicable provisions, if any, of the Companies Act, 2013 and Regulation 30 and Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification (s) or re-enactment thereof, for the time being in force)read with Companies (Share Capital and Debentures) Rules, 2014 and other applicable rules framed there under and in accordance with the clause 04 of the Articles of Association of the Company, the consent of members of the Company be and is hereby accorded to increase the Authorised Share Capital of the Company from Rs. 20,00,00,000/- (Rupees Twenty crores only) divided into 10,00,00,000 (Ten crore) Equity Shares of Rs. 2/- (Rupees Two only) each to Rs. 600,00,00,000/- (Rupees Six Hundred crores only) divided into 300,00,00,000 (Three Hundred crores) Equity Shares of Rs. 2/- (Rupees Two only) each ranking pari passu with existing Equity Shares by the creation of additional 2,90,00,00,000 (Two Hundred Ninety crores) Equity Shares of Rs. 2/- (Rupees Two only) each;

RESOLVED FURTHER THAT pursuant to the provisions of Sections 43, 55, and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, the Companies (Prospectus and Allotment of Securities)

Rules, 2014, the Articles of Association of the Company and such other approvals, consents, permissions and sanctions as may be required, consent of the members of the Company be and is hereby accorded to alter Authorised Capital clause to add 200,00,00,000 (Two Hundred crores) Non-Cumulative Non-Participating Compulsory Convertible Preference Shares of Rs. 2/- (Rupees Two only) each aggregating to 400,00,00,000 (Four Hundred crores) Non-Cumulative Non-Participating Compulsory Convertible Preference Shares of Rs. 2/- (Rupees Two only) each;

RESOLVED FURTHER THAT the said Preference Shares shall carry a preferential right with respect to payment of dividend at the rate of 0.001% per annum, on a non-cumulative basis, and shall be non-participating in nature, meaning that the holders shall not be entitled to participate in the surplus profits or surplus assets of the Company other than to the extent expressly provided in the terms of issue;

RESOLVED FURTHER THAT the Preference Shares shall be compulsorily convertible within a period not exceeding twenty years from the date of issue, or such shorter period as may be specified in the offer document and approved by the Shareholders, and the redemption shall be made in accordance with the provisions of Section 55 of the Companies Act, 2013 and the applicable rules made thereunder;

RESOLVED FURTHER THAT pursuant to the provisions of Section 13 and all other applicable provisions of the Companies Act, 2013 and the relevant rules framed thereunder, the Capital Clause (Clause 5) of the Memorandum of Association of the Company is substituted with the following Clause 5;

"The Authorised Share Capital of the Company is Rs. 1000,00,00,000/- (Rupees One Thousand crores only) comprising of 300,00,00,000 (Three Hundred crores) Equity Shares of Rs. 2/- (Rupees Two only) each, 200,00,00,000 (Two Hundred crores) Non-Cumulative Non-Participating Compulsory Convertible Preference Shares of Rs. 2/- (Rupees Two only) each."

RESOLVED FURTHER THAT the MD & CEO, Chief Financial Officer and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to file necessary forms, returns and documents with the Registrar of Companies, including but not limited to E-Form SH-07 and such other e-forms/forms as may be applicable and to do all such acts, deeds, matters and things as may be necessary, proper, or expedient and to sign, execute and submit all such documents as may be necessary and applicable to give effect to this resolution and to sign and submit certified true copy of the resolution wherever required."

Item No. 4 – INCREASE IN LIMITS OF INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT 2013

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

"RESOLVED THAT pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s), amendment(s) or re-enactment(s) thereof for the time being in force, and subject to the provisions of the Memorandum and Articles of Association of the Company, such other approvals, consents, sanctions and permissions as may be required, and on recommendation of Board of Directors of the Company approval of the members of the Company be and is hereby accorded to make an investment by way of subscription, purchase or acquisition of securities of any other body corporate, and/or give loans, and/or provide guarantees, and/or issue securities in connection with a loan to any person(s) or body(ies) corporate, from time to time, up to an aggregate limit of Rs. 300,00,00,00,000/- (Rupees Thirty Thousand crores only), notwithstanding that the aggregate of the loans, guarantees, securities, and investments so far made, together with the proposed investments, loans, guarantees, and securities being made, exceeds the limits prescribed under Section 186(2) of the Companies Act, 2013;

RESOLVED FURTHER THAT the Board be and is hereby authorised to negotiate, finalize, and decide the terms and conditions of the specific investments, loans, guarantees, or securities to be made/granted from time to time, and to execute all such documents, deeds, agreements, and papers, and to do all such acts, deeds, matters and things as may be necessary, proper, or expedient to give effect to this Resolution;

RESOLVED FURTHER THAT the particulars of the investment shall be entered in the register maintained by the Company pursuant to Section 186 of the Companies Act, 2013 and the applicable rules, and necessary disclosures, if any, shall be made in the financial statements and Board's Report of the Company in accordance with applicable law;

RESOLVED FURTHER THAT the MD & CEO, Chief Financial Officer and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to negotiate, finalize, and decide the terms and conditions of the specific investments, loans, guarantees, or securities to be made/granted from time to time, and to execute all such documents, deeds, agreements, and papers, and to do all such acts, deeds, matters and things as may be necessary, proper, or expedient to give effect to this resolution."

Item No. 5 – TO RATIFY REMUNERATION PAYABLE TO COST AUDITORS FOR THE FINANCIAL YEAR 2026-27

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212), who were appointed by the Board of Directors, upon the recommendation of the Audit Committee, as Cost Auditors, to audit the cost records of the Company for the financial year 2026-27, amounting to Rs. 2,00,000/- (Rupees Two Lakhs only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified;

RESOLVED FURTHER THAT the MD & CEO, Chief Financial Officer and Company Secretary & Compliance Officer of the Company be and are hereby severally authorised to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be deemed necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
Shalimar Paints Limited

Place: Mumbai
Date: August 12, 2026

Snehal Saboo
Company Secretary & Compliance Officer
ACS49811

NOTES

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), in respect of business to be transacted at the 124th Annual General Meeting ("AGM"), as set out under Item Nos. 3 to 5 above and the relevant details of the Director as mentioned under Item No. 2 above as required by Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "the Listing Regulations" and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard latest being 03/2025 dated September 22, 2025, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, companies are allowed to hold AGM through video conference ("VC") till further orders, without the physical presence of members at a common venue. The AGM of the Company is being held through VC, and video recording and transcript of the same shall be made available on the website of the Company. National Securities Depository Limited ("NSDL") will be providing facility for voting through remote e-voting, for participation in the AGM through VC and e-voting during the AGM.
3. As the AGM will be conducted through VC, the facility for appointment of proxy by the Members is not available for this AGM and hence, the Proxy Form is not annexed to this Notice. Further Attendance Slip including route map is not annexed to this Notice.
4. Members attending the AGM through VC shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. Authorised representative of the corporate members intending to participate in the AGM pursuant to Section 113 of the Act, are requested to send to the Company, a certified copy (in PDF/JPG format) of the relevant Board Resolution/Authority Letter, etc. authorising them to attend the AGM, by email to askus@shalimarpaints.com. Institutional shareholders/corporate members (i.e. other than individuals, HUF, NRI, etc.) are requested to upload their Board Resolution/Power of Attorney/Authority Letter by clicking on 'upload Board Resolution/Authority Letter' displayed under 'e-voting' tab in their login screen to the website of NSDL at www.evoting.nsdl.com.
6. In compliance with the Circulars, Notice of the AGM along with Annual Report for FY 2025-26 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depository Participants ("DPs") and whose names appear in the Register of Members/ list of beneficiaries received from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") (collectively referred as "Depositories") as on **Friday, August 14, 2026**.

   A letter providing the web-link, including the exact path, where complete details of the Annual Report of the Company is available, is being physically sent to those shareholder(s) who have not registered their email addresses with the Depository Participant(s), the Company or the RTA of the Company. Members who wish to obtain physical copies of Annual Report for FY 2025-26, may send an e-mail to askus@shalimarpaints.com from their registered e-mail address, mentioning their demat ID/ folio no.

7. Members may note that Notice and Annual Report for FY 2025-26 has been uploaded on the website of the Company at www.shalimarpaints.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

8. Members seeking any information with regard to accounts are requested to write to the Company at least 10 days before the meeting so as to enable the management to keep the information ready.

9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the Registrar & Transfer (R&T) Agent of the Company. In case shares are held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

10. In terms of Section 72 of the Act, nomination facility is available to individual shareholders holding shares in the physical mode. The shareholders who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

11. All the documents referred in this Notice and the Explanatory Statement, will be available for inspection electronically, without any fee, by the Members from the date of circulation of the Notice up to the date of the 124th AGM i.e., **Wednesday, September 09, 2026.** Members seeking such documents may send request on the e-mail address at askus@shalimarpaints.com.

    The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and certificate from the Secretarial Auditor of the Company under regulation 13 of SEBI (Share Based Employee Benefits) Regulations, 2021, will be available for electronic inspection by the members during the 124th AGM.

12. The Members can join the AGM through VC mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

13. Members shall have the option to vote electronically ("e-voting") either before the AGM ("remote e-voting") or during the AGM.

14. Voting rights shall be reckoned on the paid-up value of the shares registered in the name of the Member/beneficial owners (in case of electronic shareholding) as on the Cut-off date i.e. **Wednesday, September 02, 2026**. The person who is not a member as on the Cut-off Date should treat this Notice for information purpose only.

15. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote during the AGM.

16. The 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 with whom they are maintaining their demat accounts.

17. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE_IAD1/P/CIR/2023/131 dated July 31, 2023, SEBI/HO/ OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023 and SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/ 191 dated December 20, 2023, had issued guidelines towards an additional mechanism for investors to resolve their grievances by way of Online Dispute Resolution ("ODR") through a common ODR portal. Pursuant to above-mentioned circulars, post exhausting the options to resolve their grievance with the listed company/ its Registrar and Share Transfer Agent and through existing SCORES platform, the investors can initiate dispute Resolution through the ODR Portal (https://smartodr.in/login) and the same can also be accessed through our website at www.shalimarpaints.com. Members can access the SEBI Circulars on the website of SEBI at https://www.sebi.gov.in/ and the same are also available on the website of the Company at www.shalimarpaints.com.

18. As per the provisions of Section 72 of the Act and Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014, as amended, and the nomination form may be filed with the respective Depository Participant.

    As per the provisions of Section 72 of the Act and SEBI Circular No. SEBI/HO/MIRSD/POD-1/P/CIR/2024/81 dated June 10, 2024, the facility for registration of nomination is available for the members in respect of the shares held by them. All existing members are encouraged, in their own interest, to provide 'choice of nomination' for ensuring smooth transmission of securities held by them as well as to prevent accumulation of unclaimed assets in securities market. Members holding shares in physical form and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a member holding shares in physical form desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. Further, members holding shares in demat form are requested to submit choice of nomination, PAN and other details to their DPs.

The said Forms can be downloaded at https://beetal.in/ and through the Company's website at www.shalimarpaints.com. Members are requested to submit the said details to their DPs in case the shares are held by them in dematerialized form and to RTA in case the shares are held in physical form.

19. Members must quote their DP ID/ Folio ID and contact details such as e-mail address, contact no. etc. in all their correspondence with the Company/RTA.

20. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form.

21. The Company has designated an exclusive Email ID askus@shalimarpaints.com for redressal of Members complaints/grievances. For any investor related queries, you are requested to please write to us at the above Email ID.

22. PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS:

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of Listing Regulations, (including any statutory modification(s) and/or re-enactments(s) thereof for the time being in force), the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL), as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a Member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.

ii. Members whose names are 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, September 02, 2026**, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.

iii. A person who has acquired the shares and has become a Member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. **Wednesday, September 02, 2026**, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or venue voting system on the date of the AGM by following the procedure mentioned in this part.

iv. The remote e-voting period will commence on **Saturday, September 05, 2026** at **09:00 a.m.** and will end on **Tuesday, September 08, 2026 at 05:00 p.m. ("remote e-voting period").** During this period, the Members of the Company holding shares either in physical form or in dematerialised form as on **Wednesday, September 02, 2026**, i.e. the Cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. The voting rights of the Members shall be in proportion to their share in the paid-up Equity Share Capital of the Company as on the Cut- off date i.e. **Wednesday, September 02, 2026.**

vii. The Company has appointed Mr. Ankush Agarwal (COP No 14486), Partner of M/s. MAKS & CO., Company Secretaries (FRN P2018UP067700), as the scrutinizer for scrutinizing the entire e-voting process i.e. remote e-voting and e-voting during the AGM, to ensure that the process is carried out in a fair and transparent manner.

viii. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, unblock the votes cast through remote e-voting and e-Voting system at the AGM, in the presence of at least two witnesses not in the employment of the Company and make, not later than 2 working days of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

ix. The Results shall be declared by the Chairman or the person authorised by him in writing not later than 2 working days of conclusion of the AGM of the Company. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.shalimarpaints.com and on the website of NSDL at www.evoting@nsdl.com immediately. The Company shall simultaneously forward the results to the the BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed. Further, the results shall be displayed on the Notice Board of the Company at its Registered Office.

23. INTIMATION OF DETAILS OF THE AGREEMENT, IF ANY, UNDER THE SEBI LISTING REGULATIONS

Members are informed that in terms of the provisions of the SEBI Listing Regulations, the Company is required to intimate the stock exchanges the details of the agreements entered into by the shareholders, promoter(s), members of the promoter(s) group, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to, impact the management or control of the Company or impose any restriction or create any liability upon the Company, including disclosure of any rescission, amendment or alteration of such agreements thereto, whether or not the Company is a party to such agreements.

Accordingly, it is hereby advised to the members to inform the Company about such agreement to which the Company is not a party, within two working days of entering into such agreements or signing an agreement to enter into such agreements. The Company will inform the details of such agreements to the stock exchanges on it becoming aware of it within the prescribed timelines.

[Explanation: The term “directly or indirectly” includes agreements creating an obligation on the parties to such agreements to ensure that the listed entity shall or shall not act in a particular manner.]

24. PROCESS FOR THOSE MEMBERS WHOSE EMAIL IDs ARE NOT REGISTERED:

i. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to askus@shalimarpaints.com.

ii. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

25. THE INSTRUCTIONS TO SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

i. During the remote e-voting period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Wednesday, September 02, 2026** may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter.

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

iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders’ resolutions.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID,8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. Existing **IDeAS** user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "**Beneficial Owner"** icon under **"Login"** which is available under **'IDeAS'** section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on **"Access to e-Voting"** under e-Voting services and you will be able to see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 3. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select **"Register Online for IDeAS Portal"** or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 5. Shareholders/Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then user your existing my easi username & password. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. 3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. 4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

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

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

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

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

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and

   you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
   c) How to retrieve your 'initial password'?
      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
   a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
   b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to scrutinizer.maks@gmail.com with a copy marked to evoting@nsdl.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on.: 022 - 4886 7000 or send a request to Mr. Suketh Shetty, Manager at www.evoting.nsdl.com.

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e-mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by e-mail to askus@shalimarpaints.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to askus@shalimarpaints.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A**) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to www.evoting.nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company e-mail id askus@shalimarpaints.com.The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/ folio number, email id, mobile number at Company e-mail id askus@shalimarpaints.com.These queries will be replied to by the Company suitably by e-mail.

   The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.shalimarpaints.com and on the website of NSDL i.e., www.evoting.nsdl.com within two working days from the conclusion of the AGM and shall also be communicated to the Stock Exchanges where the shares of the Company are listed.

   Contact Details:

Company	**Shalimar Paints Limited** Registered Office: Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana 122001 Corporate Office: Olethia Business Spaces, Plot No. A184 and A185, Road No. 16Z, Opposite Ashar IT Park, Wagle Industrial Estate, Thane, Maharashtra 400604 E-mail ID: askus@shalimarpaints.com Phone: 1800 103 6509
Registrar and Transfer Agent	**Beetal Financial & Computer Services Private Limited** Beetal House, 3rd Floor, 99 Madangir, Behind LSC, Near Dada Harsukhdas Mandir, New Delhi - 110 062 Email ID: beetal@beetalfinancial.com Phone: 011 2996 1281
e-Voting Agency	**National Securities Depository Limited** Email ID: evoting@nsdl.com Phone: 022 4886 7000
Scrutinizer	**Mr. Ankush Agarwal** (COP No 14486), Partner of M/s. MAKS & CO., Company Secretaries (FRN P2018UP067700) Email ID: scrutinizer.maks@gmail.com

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013, SETTING OUT ALL THE MATERIAL FACTS RELATING TO SPECIAL BUSINESS:

ITEM NO. 3: INCREASE AND RESTRUCTURING IN AUTHORISED SHARE CAPITAL OF THE COMPANY

The present Authorised Share Capital of the Company is Rs. 20,00,00,000/- (Rupees Twenty crores) divided into 10,00,00,000 (Ten crores) Equity Shares of Rs. 2/- (Rupees Two only) each. In order to meet the future business requirements of the Company, support its expansion plans, strengthen its capital structure and enable the Company to issue further equity shares as and when considered appropriate, it is proposed to increase the Authorised Share Capital of the Company from Rs. 20,00,00,000/- (Rupees Twenty crores only) divided into 10,00,00,000 (Ten crore) Equity Shares of Rs. 2/- (Rupees Two only) each to Rs. 600,00,00,000/- (Rupees Six Hundred crores only) divided into 300,00,00,000 (Three Hundred crores) Equity Shares of Rs. 2/- (Rupees Two only) each ranking pari passu with existing Equity Shares by the creation of additional 290,00,00,000 (Two Hundred Ninety crores) Equity Shares of Rs. 2/- (Rupees Two only) each.

The Management has proposed to add a new class of 200,00,00,000 (Two Hundred crores) Non-Cumulative, Non-Participating Compulsorily Convertible Preference Shares having face value of Rs. 2/- (Rupees Two only) each aggregating to Rs. 400,00,00,000/- (Rupees Four Hundred crores only) Non-Cumulative, Non-Participating Compulsorily Convertible Preference Shares of Rs. 2/- (Rupees Two only) each.

Addition of the new class of shares namely Non-Cumulative, Non-Participating Compulsorily Convertible Preference Shares is proposed in terms of enabling company to obtain funds for expansion plans at a feasible coupon rate and being compulsory convertible in future it will not affect cashflow of the Company adversely. The coupon rate of proposed class is 0.001%, cost of funds raised by issue of this class of shares is favourable in comparison of other fund-raising options.

The proposed increase in Authorised Share Capital requires alteration of Clause 5 of the Memorandum of Association of the Company. Accordingly, approval of the members is sought by way of an Ordinary Resolution under the applicable provisions of the Companies Act, 2013, including Section 61,43 and 55 and other enabling provisions, if any, and subject to the provisions of the Articles of Association of the Company.

The Board of Directors is of the opinion that, the proposed increase in Authorised Share Capital is in the best interests of the Company and its members, as it will provide adequate flexibility to raise capital and undertake future issue of shares, subject to compliance with applicable laws.

A copy of the existing Memorandum of Association and the draft amended Memorandum of Association of the Company shall be available for inspection by the members at the registered office of the Company during business hours on all working days up to the date of the meeting and shall also be available for inspection at the meeting.

None of the Directors, Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends the resolution set out in the accompanying Notice for approval of the members as an **Ordinary Resolution.**

ITEM NO. 4: INCREASE IN LIMITS OF INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT 2013

Pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the applicable rules made thereunder, a company is required to obtain prior approval of its members by way of a special resolution where the aggregate amount of loans, guarantees, securities and investments made or proposed to be made exceeds the limits prescribed under Section 186(2), namely sixty per cent of the paid-up share capital, free reserves and securities premium account or one hundred per cent of the free reserves and securities premium account, whichever is higher.

The Company may, from time to time, be required to make investments, give loans, provide guarantees or securities in connection with loans to bodies corporate or persons, whether in India or outside India, for the purpose of business expansion, to achieve long term strategic and business objectives, operational requirements, funding requirements of subsidiaries, associates, joint ventures or other entities, and for such other corporate purposes as the Board may consider appropriate.

Accordingly, approval of the members is sought to authorise the Board of Directors of the Company, including any committee thereof, to make investments, give loans, provide guarantees and/or securities, from time to time, up to an aggregate amount not exceeding Rs. 300,00,00,00,000/- (Rupees Thirty Thousand crores only), notwithstanding that the aggregate of the loans and investments so far made, guarantees or securities so far provided and the loans, investments, guarantees or securities proposed to be made or provided may exceed the limits prescribed under Section 186(2) of the Companies Act, 2013.

The Board believes that, the proposed authorization is in the best interests of the Company and will enable the Company to avail suitable business opportunities and provide financial support, as may be required, in a timely and efficient manner. The investments, loans, guarantees and securities shall be made or provided in accordance with applicable law and subject to such approvals, consents, sanctions and permissions as may be necessary.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends the resolution set out in the accompanying Notice for approval of the members as a **Special Resolution.**

ITEM NO. 5: TO RATIFY REMUNERATION PAYBLE TO COST AUDITORS FOR THE FINANCIAL YEAR 2026-27

In terms of the provisions of Section 148 of the Companies Act, 2013 ("Act") read with the Companies (Cost Records & Audit) Rules, 2014 ("Rules"), the Company is required to have its cost records audited by a Cost Accountant in practice.

Accordingly, the Board of Directors of the Company, on the recommendation of the Audit Committee, in its meeting held on May 28, 2026, appointed M/s. Sanjay Gupta & Associates, Cost Accountants, (Firm Registration Number 000212) as the Cost Auditors to conduct the audit of cost records maintained by the Company for the financial year 2026-27 at a remuneration of Rs. 2,00,000/- (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any.

Further, in accordance with the provisions of Section 148(3) of the Act read with the Companies (Cost Records and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Cost Auditors needs to be ratified by the Members of the Company at the General Meeting. Accordingly, consent of the Members is being sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2026-27.

None of the Directors, Key Managerial Personnel of the Company or their respective relatives is concerned or interested, financially or otherwise, in the proposed resolution, except to the extent of their shareholding, if any, in the Company.

The Board recommends the resolution set out in the accompanying Notice for approval of the members as an **Ordinary Resolution.**

By Order of the Board of Directors
Shalimar Paints Limited

Place: Mumbai
Date: August 12, 2026

Snehal Saboo
Company Secretary & Compliance Officer
ACS49811

ANNEXURE

DETAILS OF DIRECTORS SEEKING REAPPOINTMENT

[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings]

Name of Director	**Mr. Aaditya Gajendra Sharda**
Director Identification Number	07024283
Category	Director liable to retire by rotation
Nationality	Indian
Date on first appointment on Board	April 11, 2024
Age & Date of Birth	Age: 41 Years; Date of Birth: July 29, 1985
Educational Qualification	Alumnus of KJ Somaiya Arts & Commerce
Experience/Expertise in specific functional areas	Entrepreneurial experience in sales, operations and supply chain management of building material products, an expert in identifying and solving complex business problems with incredible agility. Prior to starting Infra.Market, he was a serial entrepreneur in the Construction Sector for many years.
Brief Profile / Background Details / Suitability	Mr. Aaditya Gajendra Sharda is the Co-founder of Infra.Market, a con-tech solutions company that is rebuilding the future of construction through innovation and technology. Founded in 2016, Infra.Market is shifting the gears of this highly traditional sector through technology, thereby emerging as one of the fastest-growing unicorns with best-in-class economics and profitability metrics. Mr. Aaditya Sharda oversees cross-functional verticals, including Business Development, Commercial Operations, and deployment of services that impact the lives of customers, partners, and employees. His profile revolves around creating a strong foundation and helming processes and systems to help Infra.Market scale pan-India. Additionally, he drives the vertical integration of both, the operational and strategic teams to deliver an exceptional customer experience, all while determining unconventional pathways toward meaningful growth. Having more than ten years of entrepreneurial experience, he is an expert in identifying and solving complex business problems with incredible agility. Prior to starting Infra.Market, he was a serial entrepreneur in the Construction Sector for many years. He is an alumnus of IIM Ahmedabad. He is a strong believer in leading a balanced life with an equal focus on the career as well as physical and mental fitness. In his spare time, he enjoys spending time with his family and travelling.
Terms and conditions of re-appointment	Appointed as a Director liable to retire by rotation.
Details of remuneration sought to be paid and the remuneration last drawn by such person	NIL
Number of Meetings of the Board attended during the financial year 2025-26	No. of Board Meetings Held – 7 No. of Board Meetings attended – 3
Directorships held in other companies (excluding foreign companies) as on date	1. Hella Chemical Market Private Limited 2. Hella Infra Market Metal Private Limited (Formerly known as Rajuri Steels and Alloys India Private Limited) 3. Hella Infra Market Wood Products Private Limited 4. Hella Infra Market Pipes & Fittings Private Limited (Formerly known as Hella Road Technologies Private Limited) 5. Hella Infra Market Steel Private Limited 6. Ivas Kadson Hardwares Private Limited 7. Hella Infra Market Limited (Formerly known as Hella Infra Market Private Limited) 8. RDC Concrete (India) Limited (Formerly known as RDC Concrete (India) Private Limited) 9. Bizarro Advisory Limited

Name of Director	Mr. Aaditya Gajendra Sharda
Memberships / Chairpersonship of committees across companies (only Statutory Committees as required to be constituted under the Act considered)	**Hella Infra Market Limited** (i) Stakeholders Relationship Committee, Member (ii) Corporate Social Responsibility Committee, Member (iii) Risk Management Committee, Member **Shalimar Paints Limited** (i) Audit Committee, Member (ii) Stakeholders Relationship Committee, Member
No. of shares held in the Company including shareholding as beneficial owner as on March 31, 2026	NIL
Listed entities from which the person has resigned in the past 3 years	None
Disclosure of relationship with other Directors / Manager / Key Managerial Personnel / relationships between Directors inter-se	Not related to any other Director / Manager / Key Managerial Personnel.

By Order of the Board of Directors
Shalimar Paints Limited

Place: Mumbai
Date: August 12, 2026

Snehal Saboo
Company Secretary & Compliance Officer
ACS49811

Management Discussion and Analysis

Industry Structure & Developments

Indian Paint industry consists mainly of Decorative Paints, Protective Coatings, Wood Coatings, Automotive Paints, Ancillaries, Construction Chemicals, Road Marking Paints, General Industrial Coatings and other allied segments. The decorative market being the largest part accounting for over 70% of the market. Paint industry in India remains predominantly organized, with leading players accounting for nearly 80–85% of the market having mainly five large players and several regional and mid-sized organizations with a shrinking unorganized segment. Increased investments, capacity additions and consolidation initiatives are expected to further strengthen the organized sector in the coming years.

FY 2025-26 was another challenging year for Paint and Coating industries in India due to extended monsoon, muted urban demands, delayed discretionary spending and heightened competitive intensity. However, there was a gradual recovery in the second half of the year with festive consumption and more importantly aggressive pricing and delayed price increases.

The sector's growth was almost flat, attributing to factors like prolonged weak urban demand and geopolitical uncertainties. The steep increase in input costs also became a challenge for all paint companies, which was finally deferred through the sharp price increase in the fourth quarter. Despite the near-term challenges, the long-term outlook for Indian Paint Industry remains robust. The industry is estimated to grow at 12% in next 4 to 5 years with the total turnover of the industry estimated to be at 120,000 CR by 2030. The average per capita paint consumption in India is almost 4-5kg as opposed to global per capita consumption of 13-15kg. This speaks volumes of the large potential that paints industry has, indicating substantial headroom for growth and premiumization. This will be driven through favorable macroeconomic factors, rising consumer aspirations, urbanization, increased disposable income and increased government expenditure towards housing and infrastructure.

Premiumization remained a key theme during FY 2025-26, with consumers increasingly preferring high-performance, low-VOC, water-based and multifunctional coatings offering superior aesthetics, durability and sustainability benefits. Demand for waterproofing solutions also continued to gain higher momentum than the rest. The repainting cycle continued to shorten, reflecting both lifestyle changes and increased awareness of home improvement trends with categories like paints. Simultaneously, the organized sector further consolidated its leadership, now commanding over 80% of the market.

The competitive landscape intensified, with established brands expanding their reach into Tier 2 and Tier 3 cities while new entrants and acquisitions has also led to disruption in pricing.

About Shalimar Paints

Established in 1902, Shalimar Paints stands as one of India's oldest and most respected paint manufacturers, with a legacy deeply interwoven with the nation's industrial and architectural evolution. The company has played a pivotal role in safeguarding many of India's most iconic structures, including the majestic **Howrah Bridge**, the venerable **Rashtrapati Bhavan**, intricate nuclear power installations, sprawling networks of railways, power plants, and refineries. Most recently, Shalimar Paints had the distinct honor of protecting the **world's highest rail bridge over the Chenab River,** a testament to the resilience and performance of its coatings in extreme environmental conditions.

In recognition of its enduring commitment to quality and customer trust, Shalimar Paints was awarded the prestigious title of "**Most Trusted Brand**" twice in a row in the Indian paints sector. This accolade reflects the brand's unwavering focus on reliability, innovation, and customer satisfaction over more than a century of operations.

The company is engaged in the manufacturing and marketing of a comprehensive range of decorative paints and industrial coatings. Its decorative business covers both interior and exterior paints, supported by a portfolio of flagship brands and advanced tinting systems under the "Color Space" brand, offering large gamut of shades across all product lines. Shalimar paints has expanded its product offering beyond emulsions to waterproofing, wood coatings, ancillary tools, etc. Shalimar paints has strategically placed distribution centers across the country, making sure all locations are catered to. This robust network, complemented by a significant production boost, positions the brand on a strong growth trajectory. Apart from India, Shalimar also catered to consumers from Nepal, UAE, Bhutan and Seychelles.

The company currently operates three manufacturing facilities, located in Chennai, Nashik, and Sikandrabad (Uttar Pradesh), each equipped with modern infrastructure and automation to ensure efficiency, quality, and sustainability.

Shalimar Paints' legacy of protecting national landmarks and its recognition as a "**Most Trusted Brand**" underscore its leadership and reliability in the Indian paints industry. With continuous innovation, a growing product portfolio, and an expanding distribution footprint, Shalimar Paints is well-positioned to meet the evolving needs of consumers and contribute to the nation's growth story.

Performance

FY 2025-26 was a happening year for Shalimar Paints, marked by robust financial and operational performance across all business segments. The company achieved a **positive EBIDTA** in Q4, portraying the resilience of the company towards growth and profitability. Even though the top line remained flat, this trajectory was strategically called for and proved to be the right track for Shalimar 2.0

The decorative paints division, which remains the primary revenue driver, accounted for approximately 67% of total sales.

Product Portfolio and Innovation

A key highlight of FY 2025-26 was the Company's continued focus on innovation and portfolio premiumization, aimed at strengthening its market presence and addressing evolving consumer preferences. During the year, Shalimar Paints successfully launched nine new products across key categories, reinforcing its commitment to offering differentiated and value-added solutions.

In line with the premiumization trend in the decorative paints industry, Shalimar Paints also introduced its most luxurious emulsions to date in both the interior and exterior segments under the Hero brand umbrella, catering to consumers seeking superior aesthetics, durability and performance. Additionally, the Company launched a PU-based glossy enamel to augment its enamel portfolio and enhance its offering in the premium enamel category.

The Company marked its entry into the interior waterproofing segment under the Zero Damp brand umbrella and introduced a floor coating emulsion under the Hero portfolio, thereby expanding its presence in high-growth and adjacent categories. Further strengthening its ancillary offerings, the Company launched a range of complementary products including dry and wet & dry sandpapers, masking tapes and spray paints, enabling a more comprehensive painting solutions portfolio.

These launches reflect the Company's strategic emphasis on innovation-led growth, category expansion and portfolio enhancement, while strengthening its ability to meet the diverse needs of customers across price points and application segments.

Revenue contribution from new products' brand umbrella stood at 28% of total sales, underscoring the company's deep understanding of evolving consumer needs and its ability to rapidly translate R&D investments into market ready offerings.

The share of water-based paints within the decorative category stood at 64%, reinstating strong focus on low VOC products as per consumer preference with a vision to take it to 70% in the coming years. This strategic shift not only met rising consumer demand for sustainable products but also improved gross margins, given the higher profitability profile of water-based formulations.

Operational Excellence and Capacity Expansion

To support its growth ambitions, Shalimar Paints continued to invest in capacity augmentation and process automation. The company has a distribution network of 47 sales depots and over 7500+ retail touchpoints in decorative segment nationwide, with a particular focus on deepening penetration in Tier2 and Tier3 cities. These efforts were complemented by a recently launched distributor business model, another lever that Shalimar Paints is banking upon to cater to rural and remote areas with its affordable set of products tailormade for these geographies with ensured last mile delivery.

All three manufacturing facilities—Chennai, Nashik, and Sikandrabad, underwent further automation, focusing on waste reduction, throughput enhancement, and quality control. These initiatives delivered measurable improvements in cycle times and operational efficiency, directly contributing to the bottom line.

Research & Development

Post full operationalization of the company's state-of-the-art R&D center in Nashik in FY25, the facility played a pivotal role in accelerating product development, improving existing formulations, and driving sustainability initiatives with its state-of-the-art facility. The R&D team, working closely with global vendors and academic partners, prioritized the development of low VOC, leadfree, and environmentally responsible coatings. These efforts not only enhanced the product portfolio but also strengthened Shalimar Paints' reputation as an innovation led organization.

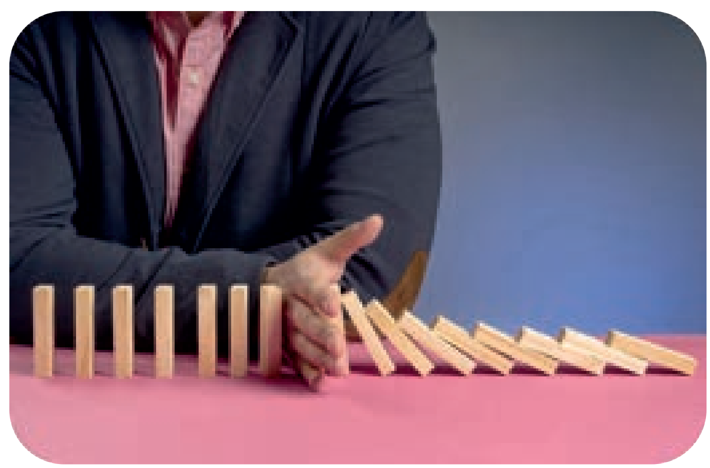
Our state-of-the-art R&D center in Nashik is dedicated to achieving the highest international standards of product quality through continuous innovation and has enhanced our capabilities to innovate and improve on the basket of products as well as improvement in recipe of existing products. We are focused on developing sustainable, ecofriendly coatings that extend the lifespan of critical assets from metal pipes to plant machinery, national infrastructure, construction equipment, ships, and buildings all while prioritizing environmental protection. Our modern IT systems and processes further empower us to deliver swift and impeccable service, fostering a level of customer satisfaction.

Brand Equity and Market Position

The year also witnessed a strategic transformation in brand building and market engagement. The successful expansion of the Hero brand with launch of new variants, giving a structure to Shalimar Expert Painter Loyalty Program with 10000+ onboard active painters, high impact social media and on ground marketing campaigns, further solidified the company's position as one of the most trusted brands for both consumers and influencers. This resulted in brand getting awarded as the Most Trusted brand in Paint category two times in a row. The introduction of distributor model lines resulted in expansion into new geographies and contributed to a stronger, more aspirational brand image.

Opportunities and Threats

The Indian paints and coatings industry continue to present significant growth prospects, and Shalimar Paints is strategically positioned to capitalize on several emerging opportunities:



Expanding Market Penetration: The ongoing urbanization and government initiatives in affordable housing and infrastructure development are expected to drive sustained demand for both decorative and industrial coatings. Shalimar Paints' expanding distribution network and targeted marketing in Tier2 and Tier3 cities offer avenues for deeper market penetration.

Shortening painting cycle: It has been observed that the paint cycle which used to be 5 years has now shortened to 3 years which leads to higher consumption of paints.

Premiumization and Product Innovation: Rising consumer awareness and preference for high performance, ecofriendly, and aesthetically advanced paints create opportunities for Shalimar Paints to further premiumize its portfolio. The company's investments in R&D and recent successful launches of water based and specialty coatings place it at the forefront of this trend.

Digital Transformation: The acceleration of digital adoption across the value chain—from supply chain automation to digital marketing and influencer engagement—provides opportunities to enhance operational efficiency, customer experience, and brand loyalty.

Sustainability Initiatives: Increasing regulatory focus on sustainability and consumer preference for green products offer Shalimar Paints the chance to differentiate itself through environmentally responsible offerings and practices.

Risk and Concerns

Business and Operational Risks-

The paint industry is highly dependent on a complex global supply chain for key raw materials such as crude oil derivatives, pigments, resins, solvents, additives, and packaging materials. A significant portion of these inputs is either imported or linked to global commodity markets, making the industry vulnerable to supply chain disruptions. Geopolitical conflicts, trade restrictions, shipping delays, port congestion, and fluctuations in freight costs adversely affect the timely availability of raw materials and input cost as well. Supply chain disruptions can also result in raw material shortages and price volatility, affecting manufacturing schedules and the ability to meet customer demand.

To mitigate these risks, we are increasingly focusing on supplier diversification, strategic sourcing, localization of procurement, inventory optimization, long-term supplier partnerships, and digital supply chain management to improve resilience and ensure business continuity.

Financial and Regulatory Risks-

Exchange Rate Fluctuations: Exposure to foreign currency transactions for raw material imports subjects the company to risks from currency volatility.

Strategic and Market Risks-

Climate Change: Increasing frequency of climate related events like prolonged monsoon may disrupt operations in certain geographies, impact raw material availability, or necessitate changes in manufacturing processes.

Information Technology

Driving Digital Transformation and Operational Excellence

During FY 2025-26, the Company continued its focus on leveraging technology as a strategic enabler to drive operational excellence, enhance business agility, strengthen governance, and support sustainable growth.

The Information Technology function remained aligned with the Company's business objectives, delivering initiatives aimed at improving productivity, enhancing customer experience, strengthening cybersecurity, and enabling data-driven decision-making across the enterprise.

Enterprise Applications and Process Excellence

The Company continued to optimize and enhance its digital core through its SAP S/4HANA platform, enabling greater process standardization, improved controls, and real-time visibility across key business functions including manufacturing, supply chain, procurement, finance, sales, and distribution.

Several business process improvements were implemented during the year, resulting in improved operational efficiency, enhanced reporting capabilities, and better user experience across the organization.

Data and Analytics

Shalimar strengthened its analytics capabilities through the adoption of modern business intelligence through Qliksense, providing leadership teams with timely and actionable insights. However, the roadmap ahead to enable automated process by moving into the latest version with capability of automated report scheduling and AI use cases. This enhanced dashboards and KPI monitoring mechanisms will improve visibility into operational and financial performance, supporting faster and more informed decision-making.

Cybersecurity and Information Protection

In an increasingly complex threat landscape, cybersecurity remained a key focus area. Shalimar continued to strengthen its security posture through enhanced monitoring, vulnerability management, access governance, employee awareness programs, and infrastructure hardening initiatives.

The Information Technology team at Shalimar also initiated measures to align its data governance and privacy practices with emerging regulatory requirements, including the Digital Personal Data Protection (DPDP) framework.

Infrastructure Modernization and Business Continuity

The Company continued to invest in resilient and scalable technology infrastructure to support business growth and operational continuity. Key initiatives included improvements in network reliability, system availability, backup management, and disaster recovery preparedness.

These initiatives have enhanced the Company's ability to maintain uninterrupted business operations while supporting future digital transformation programs.

Innovation and Emerging Technologies

Recognizing the transformative potential of Artificial Intelligence (AI), the Company initiated exploratory and pilot programs focused on intelligent automation, predictive analytics, knowledge management, and productivity enhancement. These initiatives are expected to support operational efficiency and unlock new opportunities for innovation in the coming years.

Looking Ahead

The Company remains committed to leveraging technology as a strategic business differentiator. Key focus areas for the coming year include digital manufacturing, advanced analytics, cybersecurity enhancement, data governance, AI-enabled business solutions, and continuous process optimisation.

Through sustained investments in technology, talent, and innovation, the Company aims to strengthen its competitive position and deliver long-term value to all stakeholders.

In summary, key IT initiatives planned during this Financial Year

- SAP S/4HANA optimisation initiatives
- Sales and Customer facing application reinforcements and optimisation
- Cybersecurity maturity improvements
- DPDP compliance program launch
- AI and automation initiatives
- Business intelligence and analytics adoption
- Infrastructure and disaster recovery enhancements

Supply Chain

In an increasingly competitive and dynamic business environment, an agile, efficient, and customer-centric supply chain plays a critical role in driving operational excellence and delivering superior customer experience. At Shalimar, our supply chain continues to be a strategic enabler, focused not only on ensuring seamless product availability and timely deliveries but also on enhancing customer trust, improving operational efficiency, and optimizing working capital.

During the year under review, the Company operated a robust network of 42 warehouses strategically located across the country to improve market responsiveness and reduce delivery lead times. The warehousing infrastructure was strengthened through enhanced storage capabilities, while focused initiatives in inventory planning and stock rationalization helped optimize inventory levels, improve stock freshness, and release working capital without compromising customer service levels.

The company has been able to optimize the inventory and working capital by reducing the inventory levels by Rs 25 crores and has closed 6 non-profitable warehouses and cutting existing loss of the company.

As part of our continuous improvement journey, the Company initiated the modernization and standardization of warehouse operations through the engagement of professional third-party logistics (3PL) partners. This initiative is aimed at improving operational efficiency, process discipline, inventory accuracy, and adherence to best-in-class safety and operating practices.

The Company also implemented a Transport Management System (TMS) to optimize secondary logistics, improve transportation visibility, and accelerate order fulfillment. Further, digital initiatives were strengthened across the supply chain to improve data visibility, enhance operational control, and enable faster and more informed decision-making.

To further strengthen planning capabilities, the Company is implementing advanced demand planning tools to improve forecasting accuracy, optimize production planning and distribution, and achieve lean inventory levels while maintaining high service standards.

In addition, a cluster-based management structure has been introduced to provide stronger governance across warehouse operations, enable faster issue resolution, and ensure consistent execution of supply chain processes across geographies.

Through these strategic initiatives, Shalimar aims to build a resilient, technology-enabled, cost-efficient, and customer-focused supply chain capable of supporting sustainable business growth while improving overall supply chain productivity and working capital efficiency.

HR Initiatives

At Shalimar, we are driven to enhance value to all our stakeholders. Our people remain central in all our activities, it is through their Passion, never give up mindset, Innovation, and Commitment to excellence, Shalimar is able to sustain and growth in this competitive environment.

Our endeavour has been to develop the Culture of Shalimar, making the work environment more collaborative, Empowering, Nurturing Talent, innovative, fostering a listening culture, and making Shalimar a Happy Place to work.

Our commitment extends equally to the holistic well-being of our employees. Through competitive compensation, health and other benefits, we ensure our employees feel valued and supported.

Attracting Talent

In the year 2025-26, 250+ new employees across functions including the Leadership team and next line to the Leadership team have joined Shalimar. With this, we have a strong team at the Senior level who can guide and coach the team below to drive growth for the Company.

We had the Joining of the Following at various Location on Leadership Positions :-

1) Jitendra Waghela, Plant Head Nashik
2) Sameer Sibal, Zonal Head for North Zone 1
3) Raghuraman PN, Zonal Head for South Zone 2
4) Mathew Joseph – General Manager, Information Technology

Training and Development

At Shalimar, Training and development is aimed at improving the effectiveness of the individuals and the teams. It enables people to improve at a holistic level which will help them to take their performance to the next level and achieve proficiency in the work done.

For the year 2025-26, we have covered 700 + attendees in the Various Training programs

Few of the Topics are as follows:

- Product Knowledge Training Sessions
- Work Permit and LOTO Training
- Paint Manufacturing Training Sessions
- 5S Training
- FMEA
- Risk Assessment Training
- Importance of PPE's
- 7 QC Tools Trainings
- POSH (Prevention of Sexual Harassment at Work Place)
- Industrial Behaviour & Behaviour Based Safety
- Motion Study

Induction and Onboarding

Induction and Orientation are a very integral part of our systems and process. We ensure all our Employees are well Inducted and oriented in our Company.

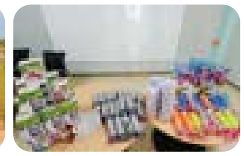
Each and every Employee has an Induction Plan depending on the Role / Function which they have joined in our organization. For the Year 2025-26, special emphasis has been placed for certain Roles to ensure they undergo an On-Job Training of 5-7 days before they get into the daily activities of their Department.

Employee Engagement & Celebrations

A strong engagement strategy transforms your workplace from a standard job site into a thriving community, the outcome of these initiatives has resulted to higher Productivity, Lower Turnover, reduced Absenteeism etc.








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



Reward and Recognition

As rewarding and recognizing employees leads to greater employee engagement, increased retention, increased productivity, increased peer competition and helps to create a positive overall workplace.

For the year 2025-26, we have Identified and Rewarded the Top Performer Award to our team members across India, in total we had identified 20+ Employees who have been given the Top performer Award for the year 2025-26.

Cost Optimization Initiatives

We at Shalimar are increasingly focusing on cost optimization by streamlining operations and improving efficiency across all departments. We are leveraging automation and digital tools to reduce manual work, outsourcing non-core functions, Additionally, businesses are minimizing travel and event expenditures, prioritizing virtual alternatives, and promoting energy-efficient practices to lower operational costs without compromising productivity or quality.

Succession Planning

We at Shalimar believe in growing Personnel to take up higher Challenges / Role in their respective functions. Keeping this belief in Mind we have taken a conscious effort and mentored and groomed employees in order to take up higher roles / responsibility in their departments.

For the year 2025-26 we have elevated more than 45+ employees to the next level in our Organization.

This mindset of developing leaders internally has helped us to manage attritions well without any major hinderances in the departmental functioning.

Employee Communication

We have also Initiated Top Leadership Quarterly Communication to all our 650+ Employees. Where our MD and CEO Mr. Kuldip Raina addresses to all our Team members.

This Town hall is conducted once in a Quarter where we share the happenings in our Company, the current Challenges, how we need to overcome them and the way forward for all of us.

Marketing

1. Awarded as "**Most Trusted Brand**" twice in a row

   Shalimar Paints proudly received the "Most Trusted Brand" award twice in a row, a testament to our legacy of quality, reliability, and customer trust built over more than a century. This recognition reaffirms our commitment to excellence and innovation in the Indian paints industry.

2. **Movie collaborations:**

   Shalimar paints movie collaboration with blockbusters like Thamma, Do Deewane seher mei, Hai Jawani toh ishq hona hai and in-film integration in Vadh 2 having trailers on products with celebs has garnered 15Mn views in digital platforms.

3. **Transit media branding:**

   Taking brand visibility to the next level, Shalimar Paints launched high visibility cab branding in major cities during Diwali festive months. Driving the brand recall among urban consumers in cities like Delhi NCR, Kolkata, Punjab grabbing more than 10+ Mn eyeballs. Also, train branding running across major parts of the country increased brand visibility and top-of-mind awareness amongst consumers.

4. **Digital Campaigns leveraging AI:**

   Launched an AI campaign on Exterior protection of house. Focusing on how each one of us are focused on protecting ourselves. Protection from elements like sun using sunscreen, rain with umbrella, pollution with masks but are neglecting our houses which fight these element 24x7x365.

5. **TV:** L & J band spots were taken during prime shows in news channel which garnered 100Mn+ unique views per week during the peak festive season

6. **Display in Pragati Maidan, Delhi:**

   Our vibrant and interactive display at Pragati Maidan, Delhi, attracted thousands of visitors, showcasing our latest innovations, product range, and commitment to quality at one of India's largest trade exhibitions. This participation gave us more than 500+ of potential industrial paint users.

7. **Portfolio Expansion:**

   Entered the Floor coating segment with Hero Floor Shield launched in July'25. Innovative product with abrasion resistance, anti-algal and beautification on pathways, walkways, cement tiles, porches etc.

Expanded the Zero Damp waterproofing portfolio with Zero Damp Interior, the first for Shalimar's interior waterproofing segment. Giving a warranty of 4 years, excellent whiteness and opacity for the top coat to come out even better.

Launched Shalimar's most luxurious emulsion for interior as well and exterior category. Hero Weather Guard 12 luxury exterior emulsion, a 12-year durability warranty product with adaptive polymer technology to withstand any weather element. Hero Insignia luxury interior emulsion, first in industry to provide a 10-year warranty and scuff resistance formula in its class. Other launches included expansion of ancillary portfolio with sandpapers, masking tapes and spray paints addition under the Magic range of products. Enamel product basket all had an addition of PU based glossy enamel.

8. Shalimar launched various campaigns for on ground visibility, influencer engagements, news channel L and J bands, radio spots of 12000 second + on Big FM and vast number of digital campaigns during the festive season.

Internal Control Systems

The internal control system is an integral part of the general organizational structure of the Company. The Company has in place the necessary control systems to ensure transparency and security of its transactions. However, the same are being upgraded keeping in view the increased threats. The purchase, sales, procurement, payment and other operations are being automated. Checks and balances are being strengthened at each level. The system is highly structured and totally in sync with the size and nature of its business. External audit firms are appointed at various locations of the Company to conduct regular audits. The internal control system is basically a set of rules, regulations, policies and procedures which run on softwares with in-built authorizations for enhanced control. The organization is appropriately staffed with qualified and experienced personnel for implementing and monitoring the internal control environment.

Financial Performance

Your Company during the year under review has suffered a loss of Rs. 63.34 crore as against loss of Rs. 80.11 crore in the previous year, on standalone basis. The revenue from operations of the Company for the financial year 2025-26 stood at Rs. 569.03 crore as against Rs. 599.06 crore in the previous year.

While revenues of the company have fallen by about 5 %, mainly due to change in the mix of water based products and in specific emulsion portfolio, the profitability has been impacted mainly due to borrowing cost, manpower cost and marketing expenses. The gross margin of the Company has reduced from 34% to 29% due to product mix.

(Rs. in Crore)

Particulars	**Standalone**		**Consolidated**	
	FY 2025-26	**FY 2024-25**	**FY 2025-26**	**FY 2024-25**
Revenue from Operations	569.03	599.06	575.63	599.81
Other Income	6.86	9.86	6.52	9.84
Profit/(Loss) before Finance Cost	(33.48)	(62.56)	(35.45)	(63.62)
Finance Cost	25.26	17.55	25.34	17.55
Profit/(Loss) before Tax	**(58.74)**	**(80.11)**	**(60.79)**	**(81.17)**
Exceptional Items	4.60	-	4.60	-
Tax	-	-	0.44	-
Profit/(Loss) after Tax	**(63.34)**	**(80.11)**	**(64.95)**	**(81.17)**

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

Particulars	As at 31-03-2026	As at 31-03-2025	Reasons of Variance
Debtors Turnover Ratio (in times)	4.02	4.63	Increase in debtors turnover ratio is mainly due to lower sales for which the collection has been done subsequently
Inventory Turnover Ratio (in times)	3.26	3.48	Change in ratio is mainly due to decrease in the closing inventory.
Interest Coverage Ratio	-1.33	-2.67	Change in ratio is primarily due to increase in finance cost.
Current Ratio (in times)	0.82	1.00	Change in the ratio is primarily due to increase in current borrowings
Debt Equity Ratio (in times)	0.69	0.55	Change in ratio is primarily due to increase in current borrowings.
Debt Service Coverage Ratio (DSCR) (in times)	-0.71	-2.96	Change in ratio is primarily due to increase in losses.
Operating Profit Margin (%)	-2.42%	-13.37%	Change in ratio is primarily due to decrease in losses compared to last year
Net Profit Margin (%)	-11.13%	-13.37%	Change in ratio is primarily due to decrease in losses compared to last year
Return on Net Worth (%)	-9.46%	-13.51%	Change in ratio is primarily due to decrease in losses compared to last year
Earnings per Share (EPS) (Rs.)	-7.57	-9.57	EPS has increase due to decrease in losses compared to last year

Forward-Looking Statement

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

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 124th Annual Report on the business and operations of your Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2026.

FINANCIAL RESULTS

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

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Revenue from Operations	569.03	599.06	575.63	599.81
Other Income	6.86	9.86	6.52	9.84
Total Income	**575.89**	**608.92**	**582.15**	**609.65**
Total Expenses	**634.63**	**689.03**	**642.94**	**690.82**
Profit/(Loss) before Depreciation, Finance Costs, Exceptional Items and Tax	-18.54	-46.81	-15.87	-47.83
Profit/(Loss) before Exceptional Items and Tax	-63.34	-80.11	-60.79	-81.17
Exceptional Items	-	-	-	-
Profit/(Loss) before Tax	**-63.34**	**-80.11**	**-60.79**	**-81.17**
Profit/(Loss) after Tax	**-63.34**	**-80.11**	**-60.79**	**-81.17**
Other Comprehensive Income/(Loss)	1.11	1.64	1.11	1.64
Total Comprehensive Income/(Loss)	-62.23	-78.47	-59.68	-79.53

RESULTS OF OUR OPERATIONS AND STATE OF AFFAIRS FOR FINANCIAL YEAR 2025-26

During the Financial Year 2025-26, your Company's revenue from operations stood at Rs. 569.03 crore as against Rs. 599.06 crore in the previous year, dwindled to about 5.28% over last year. On standalone basis, the Company has registered negative EBITDA of Rs. 18.54 crore during the Financial Year 2025-26 as compared to negative EBITDA of Rs. 46.81 crore during previous Financial Year. During the year under review, your Company has suffered a loss of Rs. 63.34 crore as against loss of Rs. 80.11 crore in the previous year, on standalone basis.

Decorative Paints Segment - The Decorative Paints segment, which caters primarily to the architectural needs of the industry covering residential, commercial, and institutional construction—continues to dominate the Indian paints market, accounting for approximately 70% of the total industry. This segment spans both repainting and renovation projects. Repainting or renovation contributes to 70% of the paint demand whereas new surface painting contributes to almost 30%.

Your Company manufactures and markets a comprehensive range of decorative paints for interior and exterior applications across varied substrates such as concrete, plaster, and metal. During FY 2025-26, we extended the Hero and Zero Damp brands by introducing newer variants that deliver multiple features at differentiated price points. We also came up with luxury segment PU enamel and ancillary tools under "Magic" brand. Additionally, we consolidated on tailor-made solutions for rural markets under the Mela brand, offering undercoat and topcoat options in both water-based and solvent-based categories. New products collectively contributed nearly 10% of the total annual turnover of the decorative business.

In the year under review, our Decorative segment concentrated on strengthening business fundamentals. We consolidated the dedicated distributor model to enhance coverage in rural and remote regions which gave us a business of almost 20CR. Furthermore, over 250 tinting machines were installed, generating a notable increase in incremental sales in the emulsion segment. Market expansion in terms of new dealer opening contributed to almost 16%. To deepen market engagement, we partnered with key influencers and consistently onboarded over 12,000+ active painters each month.

Our emulsion product mix caters to 34% of total Decorative sales—an encouraging indicator of the growing acceptance and preference for our brand in the marketplace whereas the water-based category caters to almost 64% of the sale.

Industrial Paints Segment - Brutal is what can be summarised for FY 25-26 with a lot of head winds affecting business through out the various quarters.

Going into Q1, the business witnessed a growth momentum carried forward from Q4 2024-25. The abruptness of a slowdown across Iron and Steel sector in Q2 was unprecedented and unanticipated. The momentum stopped midway with major Iron and Steel industries declaring a slow down in production owing to Funds inflow stoppage from the Centre. The corruption exposed in Jal Jeevan Mission forced the government to halt further funds flow into the market till time the CAG audit was not completed. The Trend continued in to the remaining quarters with very minimal production happening and dampening the sales of paints and coating to such industry segment.

The Second half of FY 25-26 faced further crisis from various state governments going into election year and funds release to small and big time contractors became a big issue for various running projects across West Bengal, Karnataka and some other states leading to lengthy credit.

Steel price increase a slowdown in the market forced Pipe Manufacturing companies to defer the orders for Bitumen paints, Solvent Free epoxies and Solvent Free Polyurethanes. Compounded by competitive prices in the market; margins have been severely eroded.

Q4 volatility in Raw material prices due to Gulf War raised input costs and put additional pressure on margins. While a portion of the impact was passed onto the customers in March, the full impact of the price increases will be seen in the next further quarters.

This business slowdown forced a strategic shift to move away from traditional business model into other segments of the business by focussing on core protective coatings. The team was re-organized so that the focus is now on the Zonal opportunities. With this change, FY 26-27 should see your organization on a rebound note.

The business consolidated its existing grip on existing accounts across the Steel, Minerals, Metals and Mining sector by continuously picking up contracts across various units in Jindal Steel & Power Limited, Jindal Steel Limited, Lloyds Metals & Energy, Shyam Metalics Group, MSPL (Baldota Group), NMDC, Rungta Mines and Minerals and also added new feather to its kitty with breakthrough in Arcellor Mittal Nippon Steel, Star Metal, Kalyani Ispat.

Your company also consolidated its hold in the Karnataka Irrigation and Drinking water sector with business through various contractors in Karnataka like Shankaranarayana Constructions, Sree UGCL Projects Ltd, Sri Srinivasa constructions, Suprada Constructions, Amrutha Constructions etc.

Shalimar Paints Limited foray in to the Truck body segment and Agriculture & Construction equipment segment over a year back has proudly stood the test of time with close to 10000 such assemblies painted to the happiness of customers.

Over last 2 years Shalimar paints progressed onto solutions for long term product performance with a comprehensive module including Application services and Technical support with NACE certified coating inspectors; thus ensuring a strong bond with the customer and a move from a mere supplier to a partner. This business has now grown multi-fold and will grow even more in the near future.

The year 2026-27 is a force to reckon and with the changes panned, the growth story in Shalimar will continue.

NATURE OF BUSINESS

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

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

CERTIFICATIONS

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

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

CREDIT RATINGS

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

The Company has reaffirmed its credit rating of 'CARE BB+; Negative' for long term bank facilities and 'CARE A4+' for short term bank facilities by CARE Ratings Limited.

DIVIDEND AND TRANSFER TO RESERVES

In view of losses during the year under review, the Board of Directors of the company has not recommended any dividend on the Equity Shares of the Company for the financial year ended March 31, 2026. Accordingly, there has been no transfer to general reserves.

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

SHARE CAPITAL

a. Authorised Capital

As on March 31, 2026 the authorised share capital of the Company is Rs. 20,00,00,000 (Rupees Twenty Crore Only) divided into 10,00,00,000 (Ten Crore) Equity Shares of Rs. 2/- (Rupees Two Only).

b. Issued, subscribed and Paid-up Capital

As on March 31, 2026, the issued, subscribed and paid-up equity share capital of the Company stood at Rs. 16,74,22,356 (Indian Rupees Sixteen Crores Seventy-Four Lakhs Twenty-Two Thousand Three Hundred Fifty-Six only), divided into 8,37,11,178 (Eight Crores Thirty-Seven Lakhs Eleven Thousand One Hundred Seventy-Eight) equity shares of face value of Rs. 2/- each.

During the year under review, there is no change in the paid-up capital of the Company.

c. Issue of equity shares with differential rights

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

d. Issue of sweat equity shares

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

e. Provision of money by Company for purchase of its own shares by employees or by trustees for the benefit of employees

Company has not made any provision of money for purchase of its own shares by employees or by trustees for the benefit of employees during the year under review.

SIGNIFICANT EVENTS DURING THE YEAR UNDER REVIEW / CURRENT YEAR

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

EMPLOYEES STOCK OPTION SCHEME

The Employee Stock Option Scheme of the Company aims to give benefit to eligible employees with a view to attract and retain the best talent, encourage employees to align individual performance with company objectives, and promote their increased participation and involvement in the growth of the Company.

The Board of Directors of the Company, inter alia administers and monitors the Employee Stock Option Schemes of the Company. During the year under review, no shares have been allotted by the Company pursuant to Employee Stock Option Scheme, 2022 i.e. ‘ESOP 2022’ of the Company.

The disclosures as required under Regulation 14 of SBEB Regulations, is available on website of the Company at www.shalimarpaints.com

The certificate from the Secretarial Auditors of the Company, that the ESOP 2022 has been implemented in accordance with the SBEB Regulations and the resolutions passed by the members of the Company, shall be uploaded on the website of the Company i.e. www.shalimarpaints.com and shall be available for inspection by members in electronic mode during the Annual General Meeting of the Company.

TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the provision of Section 125(2) of the Act does not apply as the Company was not required to transfer any amount to the Investor Education and Protection Fund (IEPF) established by the Central Government of India. The Company has designated the Company Secretary as ‘Nodal Officer’ for the purposes of IEPF related matters.

SIGNIFICANT AND MATERIAL ORDERS IMPACTING THE GOING CONCERN STATUS AND COMPANY’S OPERATIONS IN FUTURE

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

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

SUBSIDIARIES, JOINT VENTURE AND ASSOCIATE COMPANIES

During the year under review, your Company has no associate companies within the meaning of Section 2(6) of the Companies Act, 2013 (“the Act”) and has not entered into any joint venture. However, your Company has following two Subsidiaries:

Name of the Subsidiaries & CIN	Date of Incorporation	Registered Office Address	Principal Business
Shalimar Adhunik Nirman Limited [U24220DL2007PLC168944]	04/10/2007	9A, Cannaught Place Above ICICI Bank, New Delhi 110001	To deal in Land and Properties
IM Inicio Projects Private Limited (Formerly known as Eastern Speciality Paints & Coatings Private Limited) [U46639HR2009PTC066208]	24/02/2009	Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurgaon, Haryana 122001	To trade or conduct business in Paints

There has been no material change in business of subsidiary companies during the Financial Year 2025-26. The Company has formulated a Policy for determining material subsidiaries which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/investors-relations/codes-and-policies

Further, as on March 31, 2026, the Company does not have any material subsidiary as per the provisions of Regulation 16 of the SEBI Listing Regulations.

FINANCIAL DETAILS OF SUBSIDIARIES

Pursuant to Section 129(3) of the Act read with Rule 5(1) of the Companies (Accounts) Rules, 2014, the statement containing the salient features of the financial statement of your Company's Subsidiaries in the prescribed Form AOC-1 is annexed as **Annexure - I**, forms part of the Annual Report and hence not repeated here for the sake of brevity. This statement also provides details of performance and financial position of each of the Subsidiaries.

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

CONSOLIDATED FINANCIAL STATEMENTS

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

INDIAN ACCOUNTING STANDARDS, 2015

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

DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. **Appointment of Managing Director & Chief Executive Officer (MD&CEO):** During the year under review, the Board of Directors, based on the recommendation of NRC, appointed Mr. Kuldip Raina (DIN: 10956069), as an additional director as well as Managing Director & Chief Executive Officer (MD&CEO) of the Company under the category of Key Managerial Personnel of the Company w.e.f. April 10, 2025, to hold office for a term of three (3) consecutive years, liable to retire by rotation, subject to the approval of the shareholders of the Company and the same was subsequently approved by the shareholders through Postal Ballot passed on May 16, 2025.

b. **Re-appointment of Ms. Shan Jain (DIN: 09661574) as an Independent Director of the Company for a second term of three (3) consecutive years :** During the year under review, the Board of Directors, on the recommendation of NRC, re-appointed Ms. Shan Jain, as a Non-Executive Independent Director for a second term of three (3) consecutive years w.e.f. February 13, 2026 and the aforesaid re-appointment have been approved by the shareholders of the Company through postal ballot passed on February 06, 2026.

c. **Cessation of Whole-time Directors:** During the year under review, Mr. Venugopal Chetlur, Chief Operating Officer & Whole-time Director of the Company has resigned from the position of Whole-time Director of the Company with effect from close of business hours on Wednesday, March 04, 2026, due to personal reasons. He continues to serve the Company in the position of Chief Operating Officer (COO) and will look after the operational management of the Company.

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

d. **Re-appointment of Mr. Atul Rasiklal Desai (DIN: 01918187) as an Independent Director of the Company for a second term of three (3) consecutive years:** During the current year on the recommendation of NRC, reappointed Mr. Atul Rasiklal Desai, as Non-Executive Independent Director for a second term of three (3) consecutive years w.e.f. June 28, 2026 and the aforesaid re-appointment have been approved by the shareholders of the Company through postal ballot passed on June 13, 2026.

e. **Appointment of Non-Executive Non-Independent Director:** During the current year, the Board of Directors, on the recommendation of NRC, has appointed Mr. Abhijeet Jhawar, as an Additional Director (in the category of Non-Executive Non-Independent Director) of the Company with effect from May 12, 2026, and the aforesaid appointment have been approved by the shareholders of the Company through postal ballot passed on June 13, 2026.

f. **Director retiring by rotation:** In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Aaditya Gajendra Sharda (DIN: 07024283), Non-Executive Non-Independent Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment as director. The resolution seeking members' approval for his re-appointment forms part of the Notice of 124th Annual General Meeting.

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

h. **Declaration by Independent Directors:** Your Company has received declarations from all the Independent Directors of the Company confirming that:

(a) they meet the criteria of independence provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations;

(b) there has been no change in the circumstances which may affect their status as independent director during the year under review;

(c) they have complied with the Company's Code of Conduct for Board Members and Senior Management and code of conduct for independent directors as prescribed in schedule IV to the Act;

(d) they are not debarred to act as a Director by virtue of any SEBI order or any other authority; and

(e) they are not aware of any circumstances or situation which exist or may be anticipated, that could impair or impact their ability to discharge their duties in terms of regulation 25(8) of the SEBI Listing Regulations with an objective independent judgement and without any external influence and that they are independent of the Management.

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

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

k. **Cessation and appointment of Key Managerial Personnel:** During the current year, Mr. Sachin Naik has resigned from the position of Chief Financial Officer (Key Managerial Personnel) of the Company with effect from close of business hours on Saturday, May 30, 2026, due to better career opportunities and professional growth prospects.

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

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

PERFORMANCE EVALUATION OF BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

One of the key responsibilities and role endowed on the Board is to monitor and evaluate the performance of the Board, Committees and Directors.

In compliance with the applicable provisions of the Act and SEBI Listing Regulations, the Board of Directors on recommendation of the NRC had approved and adopted the Evaluation Policy setting out the process, format, attributes and criteria for the performance evaluation of the Board, Board Committees and Individual Directors.

An annual performance evaluation of all Directors, the Committees of the Board and the Board as a whole was carried out during the year under review. The evaluation tested key areas of the Board's work including strategy, business performance, risk and governance processes. The evaluation considers the balance of skills, experience, independence and knowledge of the management and the Board, its overall diversity, and analysis of the Board and its Directors' functioning.

The performance of entire Board is evaluated by all the Directors based on Board composition and quality, Board meetings and procedures, Board development, Board strategy and risk management, etc.

The performance of the Managing Director and Executive Directors is evaluated by all the Board Members based on factors such as leadership, strategy formulation, strategy execution, external relations, etc.

The performance of Non-Executive Director and Independent Directors is evaluated by other Board Members based on criteria like managing relationship, Knowledge and skill, personal attributes, etc.

It also involves self-assessment by all the Directors and evaluation of Committees of Board based on Knowledge, diligence and participation, leadership team and management relations, committee meetings and procedures respectively.

For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded. The Board of Directors has expressed its satisfaction with the evaluation process.

PUBLIC DEPOSITS

During the year under review, your Company has not invited or accepted any deposits from the public / members pursuant to the provisions of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as at the beginning and end of the Financial Year 2025-26.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

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

AUDITORS AND AUDIT REPORTS

i) **Statutory Auditors and Audit Report:**

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

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

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2026. The management response to the observations / comments contained in the Auditors' Report and Annexure thereto has been suitably given in the respective Notes to the Financial Statements referred to therein.

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

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

ii) **Secretarial Auditors and Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. MAKS & CO., Company Secretaries [FRN P2018UP067700 and Peer Review Certificate No.:2064/2022] were appointed as the Secretarial Auditors by the members at the 123rd AGM of the Company held on September 26, 2025, for a term of 5 (Five) consecutive years from the FY 2025-26 till FY 2029-30.

The Secretarial Auditors have confirmed that they have subjected themselves to the peer review process of Institute of Company Secretaries of India (ICSI) and hold valid certificate issued by the Peer Review Board of the ICSI.

The Secretarial Audit Report issued by Secretarial Auditors of the Company i.e M/s. MAKS & Co., Practicing Company Secretaries for the Financial Year 2025- 26, is annexed herewith as **Annexure – III** forming part of this Board Report. The Secretarial Audit Report does not contain any qualification, reservation or disclaimer or adverse remark.

In addition to the above and in accordance with Regulation 24A(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, all listed entities are required to obtain an Annual Secretarial Compliance Report from a Practicing Company Secretary (PCS), confirming compliance with applicable SEBI Regulations, circulars, and guidelines. This report must be submitted to the Stock Exchanges within 60 days from the end of the financial year.

Accordingly, a report on secretarial compliance issued by M/s. MAKS & Co., Practicing Company Secretaries [FRN P2018UP067700], for the financial year ended March 31, 2026 has been submitted to stock exchanges. The same is available on the website of the Company at https://www.shalimarpaints.com/investors-relations/corporate-announcements

iii) Cost Auditors and Audit Report:

Pursuant to Section 148(1) of the Act, for the Financial Year 2025-26, the Company is required to maintain cost records as specified by the Central Government. In accordance with the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor. The Board of Directors, upon the recommendation of the Audit Committee, had appointed M/s. Sanjay Gupta & Associates, Cost Accountants, for this purpose for the Financial Year 2025-26. The Cost Auditor will submit their report for FY 2025-26 within the timeframe prescribed under the Act. The Cost Audit report for FY 2024-25 did not contain any qualification, reservation or adverse remark.

Further, upon receipt of certificate confirming their eligibility and willingness for appointment as the Cost Auditor of the Company for FY 2026-27 and based on the recommendation of the Audit Committee, M/s. Sanjay Gupta & Associates., have been appointed as the Cost Auditor of the Company for FY 2026-27 at a remuneration of Rs. 200,000/- (Rupees Two Lakhs only) plus applicable taxes and out-of-pocket expenses. The said remuneration has also been proposed for ratification by the members of the Company at the ensuing AGM.

iv) Internal Auditors:

The Company had appointed M/s. Deloitte Touche Tohmatsu India LLP as Internal Auditors of the Company for Financial Year 2025-26. Internal Auditors of the Company directly report to the Audit Committee on functional matters.

v) Report on Frauds U/s 143 (12) of the Companies Act, 2013:

During the year under review, the Statutory Auditors, Cost Auditors and the Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under Section 143(12) of the Act. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

RISK MANAGEMENT

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

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

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

INTERNAL FINANCIAL CONTROLS

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

BOARD MEETINGS

The Board of Directors met seven (7) times during the Financial Year 2025-26. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of the Annual Report.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

In accordance with Section 149 (7) of the Act read with Para VII (1) of Schedule IV of the Act and Regulation 25 of Listing Regulations, a separate Meeting of the Independent Directors of the Company was held on March 12, 2026, without the presence of Non- Independent Directors and Members of the management.

The Independent Directors at the meeting, inter alia, reviewed the following: -

- Performance of Non-Independent Directors and Board as a whole.
- Performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.
- Assessed the quality, quantity and timeliness of flow of information between the Company, Management and the Board, that is necessary for the Board to effectively and reasonably perform their duties.

BOARD COMMITTEES

The Board Committees play a vital role in strengthening the Corporate Governance practices of the Company and focus effectively on the issues and ensure expedient resolution of the diverse matters. The Committees also make specific recommendations to the Board on various matters as and when required. All observations, recommendations and decisions of the Committees are placed before the Board for information, noting or approval.

The Company has following Committees, in terms of the Act and the SEBI Listing Regulations: -

a. Audit Committee

b. Nomination and Remuneration Committee

c. Stakeholders Relationship Committee

d. Corporate Social Responsibility Committee

e. Risk Management Committee

The Composition, terms of reference and details of meetings of the aforementioned Committees during FY 2025-26 and the attendance of each Director in the Committee Meetings are provided in Corporate Governance Report which forms integral part of this Report.

GENERAL MEETING / POSTAL BALLOT

During the Financial Year ended March 31, 2026, apart from AGM of the Company held on September 26, 2025, the Company had sought approval of the shareholders through the Postal Ballot process, the details of which are given herein below:

Postal Ballot notice dated April 10, 2025, for seeking approval of the shareholders for:

(i) Appointment of Mr. Kuldip Raina as Director of the Company and

(ii) Appointment of Mr. Kuldip Raina as Managing Director and Chief Executive Officer (MD & CEO) of the Company.

The aforesaid matters were duly approved by the shareholders of the Company on May 16, 2025 and the result of postal ballot was declared on May 19, 2025.

Postal Ballot notice dated January 02, 2026, for seeking approval of the shareholders for:

(i) To consider and approve the reappointment of Ms. Shan Jain (DIN: 09661574) as an Independent Director of the Company.

The aforesaid matters were duly approved by the shareholders of the Company on February 06, 2026 and the result of postal ballot was declared on February 09, 2026.

NOMINATION AND REMUNERATION POLICY

Pursuant to the provisions of Section 178(3) of the Act, Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations and as per the recommendations of NRC, the Board has formulated a Nomination and Remuneration Policy. This policy outlines the criteria for appointment and remuneration of Directors, Key Managerial Personnel (KMP), and other employees, including qualifications, positive attributes, independence of Directors, and other matters as specified under Section 178(3) of the Act. The compensation and packages of the aforesaid persons are designed in terms of remuneration policy framed by the NRC. The remuneration policy of your Company may be accessed on the Company's website at the link: https://www.shalimarpaints.com/investors-relations/codes-and-policies

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

The Company has formulated a Code of Conduct for Directors and Senior Management Personnel and has complied with all the requirements mentioned in the aforesaid code.

FAMILIARIZATION PROGRAMME

Pursuant to regulation 25 of the SEBI Listing Regulations, the Company provides orientation and business overview to its independent Directors by way of detailed presentation. Such meetings/programs include briefings on the Company and its business, Executive Team, business model, applicable amendments in the Compliance, the roles and responsibilities of Independent Directors.

The details of such Familiarization Program for Independent Directors are posted on the website of the Company and the web link of the same is provided hereunder: https://www.shalimarpaints.com/investors-relations/codes-and-policies

SUCCESSION PLANNING

The Company has in place the orderly succession plan for the appointments at the Board and Senior Management level.

CODE OF CONDUCT TO REGULATE, MONITOR AND REPORT TRADING BY DESIGNATED PERSONS (CODE OF CONDUCT)

The Company has adopted a Code of Conduct to regulate, monitor and report trading by Designated Persons [Pursuant to Regulation 9 of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015]. This Code of Conduct is intended to prevent misuse of Unpublished Price Sensitive Information ("UPSI") by Designated Persons and their immediate relatives.

The said Code lays down guidelines, which advise Designated Persons and Insiders on the procedures to be followed and disclosures to be made in dealing with the shares of the Company and cautions them on consequences of non-compliances. This Code includes a Policy and Procedure for Inquiry in case of leakage of UPSI or suspected leakage of UPSI and is available for reference on the website of the Company i.e. https://www.shalimarpaints.com/investors-relations/codes-and-policies

WEBLINK OF ANNUAL RETURN

As required pursuant to Section 134 and 92(3) of the Act, the Annual Return of the Company for the Financial Year ended on March 31, 2026 is available on the Company's website and can be viewed at: https://www.shalimarpaints.com/investors-relations/annual-return.

RELATED PARTY TRANSACTIONS

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

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

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

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

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

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

SECRETARIAL STANDARDS

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the Financial Year ended March 31, 2026, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2026 and of the loss of the Company for the year ended March 31, 2026;

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

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

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

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

LISTING ON STOCK EXCHANGES

The Equity Shares of the Company continue to be listed on BSE Limited and National Stock Exchange of India Limited. The requisite annual listing fees for the Financial Year 2026-27 have been paid to these Exchanges. The addresses of these Stock Exchanges and other information for shareholders are given in the Corporate Governance Report as contained in the Annual Report.

REPORT ON CORPORATE GOVERNANCE

Your Company always places major thrust on managing its affairs with diligence, transparency, responsibility and accountability thereby upholding the important dictum that an organization's corporate governance philosophy is directly linked to high performance.

The Company understands and respects its fiduciary role and responsibility towards its stakeholders and society at large and strives to serve their interests, resulting in the creation of value and wealth for all stakeholders.

The compliance report on corporate governance and a certificate received from M/s. MAKS & Co., Company Secretaries (FRN: P2018UP067700), Secretarial Auditor of the Company, regarding compliance of the conditions of corporate governance, as stipulated under Chapter IV of SEBI Listing Regulations forms part of the Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the Financial Year 2025-26, as required pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, is presented in a separate section and forms an integral part of the Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations / performance of the Company's various businesses viz., decorative business, industrial and home improvement business, international operations, internal controls and their adequacy, risk management systems and other material developments during the Financial Year 2025-26.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

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

The BRSR for the Financial Year 2025-26, as required pursuant to Regulation 34 of SEBI Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective, can be viewed on the Company's website at: https://www.shalimarpaints.com/investors-relations/annual-reports and forms an integral part of the Annual Report.

CORPORATE SOCIAL RESPONSIBILITY

Shalimar has been an early adopter of Corporate Social Responsibility ("CSR") initiatives. Your Company's overarching aspiration to create significant and sustainable societal value is manifest in its CSR initiatives. CSR is traditionally driven by a moral obligation and philanthropic spirit. Through CSR there is a formation of a dynamic relationship between Company on one hand and the society and environment on the other. However, as there were no profits in terms of the provisions of Section 198 of the Act during last three Financial Years, the Company was not required under Section 135 of the Act, to incur expenditure on CSR during the Financial Year 2025-26.

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

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

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

Your Company hereby affirms that any incidents that are reported are investigated and suitable action is taken in line with the Company's Whistle Blower Policy. No person is denied access to the Chairperson of the Audit Committee.

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

Further, in terms of the provisions of the SEBI Listing Regulations, the details in relation to the POSH Act, for the financial year ended on March 31, 2026 are as under:

a) Number of complaints pertaining to sexual harassment filed during the Financial Year: NIL

b) Number of complaints pertaining to sexual harassment disposed off during the Financial Year: NIL

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

d) Number of complaints pending for more than ninety days – NIL

COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

The Company has complied with the provisions of the Maternity Benefit Act, 1961, including all applicable amendments and rules framed thereunder. The Company is committed to ensuring a safe, inclusive, and supportive workplace for women employees. All eligible women employees are provided with maternity benefits as prescribed under the Maternity Benefit Act, 1961, including paid maternity leave, nursing breaks, and protection from dismissal during maternity leave. The Company also ensures that no discrimination is made in recruitment or service conditions on the grounds of maternity. Necessary internal systems and HR policies are in place to uphold the spirit and letter of the legislation.

GENDER-WISE COMPOSITION OF EMPLOYEES

In alignment with the principles of diversity, equity, and inclusion (DEI), the Company discloses below the gender composition of its workforce as on the March 31, 2026.

Male Employees: 576

Female Employees: 23

Transgender Employees: 0

ANY PROCEEDINGS UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016

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

VALUATION FOR ONE TIME SETTLEMENT OR WHILE TAKING THE LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS

There were no instances during the period under review where your Company required the valuation for onetime settlement or while taking the loan from the Banks or Financial institutions.

DOWNSTREAM INVESTMENT

The Company does not have any downstream foreign investment.

GREEN INITIATIVES

Electronic copies of the Annual Report 2025-26 and the notice of the 124th AGM are being sent to all members whose email addresses are registered with the Company / Depository Participant(s). The Members holding shares in physical form who have not registered their email addresses with the Company and who wish to receive the Annual Report for the year 2025-26 can now register their e-mail addresses with the Company. For this purpose, they can send scanned copy of signed request letter mentioning folio number, complete address and the email address to be registered along with self-attested copy of the PAN Card and any document supporting the registered address of the Member, by email to the Company at askus@shalimarpaints.com

ACKNOWLEDGEMENTS

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

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

Place: Mumbai
Date: August 12, 2026

Kuldip Raina
MD & CEO
DIN: 10956069

Aaditya Sharda
Non-Executive Director
DIN: 07024283

Annexure - I to Director's Report

Form No. AOC-1

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

1. Statement containing salient features of the financial statements of Subsidiaries /Associate Company / Joint Venture as on March 31, 2026:

Part A: Subsidiaries

(Rs. in Lakhs)

S. NO.	Particulars	Subsidiary 1	Subsidiary 2
1	CIN/ any other registration number of subsidiary company	U24220DL2007PLC168944	U46639HR2009PTC066208
2	Name of the subsidiaries	Shalimar Adhunik Nirman Limited	IM Inicio Projects Private Limited (Formerly known as Eastern Speciality Paints & Coatings Private Limited)
3 4	Date since when subsidiary was acquired Provisions pursuant to which the company has become	04/10/2007	24/02/2009
	a subsidiary (Section 2(87)(i) / Section 2(87)(ii))	2(87)(ii)	2(87)(ii)
5	Reporting Period	April 01, 2025 to March 31, 2026	April 01, 2025 to March 31, 2026
6	Reporting Currency	INR	INR
7	Exchange Rate (in Rs.) as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
8	Share Capital	9.50	5.00
9	Reserves & Surplus	1464.02	(228.47)
10	Total Assets	2715.49	444.97
11	Total Liabilities	2715.49	444.97
12	Investments	0.00	0.00
13	Turnover	0.00	775.40
14	Profit/(Loss) before Taxation	(8.36)	(187.29)
15	Provision for Taxation	0.00	0.
16	Profit/(Loss) after Taxation	(8.36)	(187.29)
17	Proposed Dividend	0.00	0.00
18	% of shareholding	99.99%	100%

1. Number of subsidiaries which are yet to commence operations – None
2. Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year: **Not applicable**.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- **Not Applicable**

1. Number of associates or joint ventures which are yet to commence operations – None
2. Number of associates or joint ventures which have been liquidated or have ceased to be associate or joint venture during the year: Not applicable.

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

Place: Mumbai
Date: August 12, 2026

Kuldip Raina
MD & CEO
DIN: 10956069

Aaditya Sharda
Non-Executive Director
DIN: 07024283

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

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

1. Energy Conservation, Manufacturing Excellence and Sustainable Operations

The Company recognizes energy as a critical resource in achieving sustainable manufacturing, operational excellence and environmental stewardship. During the year, continued emphasis was placed on improving energy efficiency across all manufacturing operations through systematic monitoring, process optimization, equipment reliability, and implementation of best manufacturing practices.

Energy conservation initiatives were integrated with manufacturing excellence programmes to reduce specific energy consumption, improve plant productivity and enhance overall resource utilization without compromising product quality or customer requirements.

2. Comprehensive Energy Monitoring Framework

A structured Energy Management System has been implemented to monitor, analyse and optimize energy consumption across manufacturing plants and utility operations.

Energy performance is continuously monitored through monthly and annual reviews covering:

- Electricity purchased from the State Grid.
- Solar power generation
- In-house electricity generation through Diesel Generator (DG) sets during grid outages and peak operational requirements.
- Fuel consumption in utility equipment wherever applicable.
- Electricity consumption of major production equipment including High-Speed Dispersers, Bead Mills, Mixers, Attritors, Pumps and Transfer Systems.
- Utility consumption covering compressed air systems, HVAC, ventilation, chilled water and lighting.
- Product-wise and batch-wise Specific Energy Consumption (SEC).
- Utility consumption per tonne of paint produced.
- Energy consumption trends across manufacturing departments.
- Equipment loading patterns and operating efficiencies.

Continuous trend analysis enables benchmarking of plant performance, early identification of abnormal energy consumption and implementation of corrective actions.

3. Energy Audits and Implementation of Recommendations

The Company periodically conducts comprehensive energy audits covering manufacturing processes, utilities and infrastructure.

Recommendations from the energy audits are evaluated based on technical feasibility, financial viability and environmental benefits. Approved projects are implemented in a phased manner and their effectiveness is monitored through measurable energy performance indicators.

The Company continues to review emerging technologies and best industry practices to improve energy productivity across manufacturing operations.

4. Manufacturing Process Optimization

Continuous improvement programmes were undertaken across manufacturing operations with the objective of reducing process cycle time, minimizing energy losses and improving equipment utilization.

Major initiatives included:

- Standardization of products and processes across product categories.
- Optimization of dispersion and grinding cycles based on product characteristics.
- Laying critical hygiene guidelines and monitoring.
- Optimization of pigment dispersion sequences.
- Standardization of mixing parameters for improved batch consistency.
- Reduction in equipment idle time between batches.

- Improved utilization of manufacturing assets through better production planning.
- Optimization of cleaning and changeover practices.
- Improved scheduling to reduce repeated start-stop operations.
- Laying down critical to quality (CTQ) guidelines and monitoring of them.

These initiatives resulted in lower energy consumption per batch while maintaining product quality and production reliability.

5. Batch Cycle Time Reduction

A focused programme on Batch Cycle Time Reduction was implemented across manufacturing lines.

The initiative involved:

- Mapping of complete manufacturing workflows.
- Identification of non-value-added activities.
- Reduction of waiting time between process stages.
- Optimization of raw material charging sequences.
- Improved synchronization between grinding, let-down and filling operations.
- Standard operating procedures for batch execution.
- Reduction in cleaning and product changeover time.

Shorter batch cycle times have improved production throughput while reducing electricity consumption per unit of production.

6. Debottlenecking of Manufacturing Operations

The Company continued its debottlenecking initiatives to maximize capacity utilization using existing assets.

The projects included:

- Improvement in material transfer systems.
- Optimization of pumping and circulation systems.
- Elimination of bottlenecks in grinding operations.
- Improvement in filling line productivity.
- Better utilization of storage tanks and intermediate vessels.
- Optimization of utility distribution.
- Reduction in waiting time between production stages.
- Improvement in equipment availability through preventive maintenance.

These initiatives have increased operational flexibility, reduced production delays and improved manufacturing efficiency.

7. Utility Optimization

Utilities constitute a significant portion of overall energy consumption in paint manufacturing. Continuous improvement initiatives were therefore undertaken in the following areas:

Compressed Air Systems/Electric Motors and Drives/Pumps and Agitators/Lighting/HVAC and Ventilation/Diesel Generator Optimization/Preventive Maintenance for Energy Efficiency.

8. Manufacturing Excellence

Manufacturing Excellence programmes continued to drive operational improvements through structured continuous improvement methodologies.

Key focus areas included:

- Process standardization.
- Reduction in process variability.
- Overall Equipment Effectiveness (OEE) improvement.
- Reduction in manufacturing losses.
- Root Cause Analysis (RCA) of recurring issues.
- Preventive Action implementation.

- Lean manufacturing initiatives.
- Continuous improvement projects.
- Shop-floor productivity enhancement.
- Visual management and workplace organization.

These initiatives have enhanced productivity, improved product consistency and strengthened manufacturing reliability.

9. Sustainability Commitment

The Company remains committed to reducing its energy intensity and carbon footprint through continual improvement in manufacturing processes, adoption of energy-efficient technologies and responsible utilization of natural resources.

Future focus areas include:

- Greater automation of manufacturing processes.
- Deployment of Variable Frequency Drives (VFDs) on suitable equipment.
- Advanced energy monitoring and digital analytics.
- Expansion of renewable energy wherever technically and economically feasible.
- Continuous reduction in Specific Energy Consumption (SEC).
- Enhanced employee participation in energy conservation programmes.
- Adoption of emerging best practices in sustainable paint manufacturing.

Through these initiatives, the Company continues to strengthen its commitment towards operational excellence, responsible manufacturing and sustainable long-term growth while delivering high-quality coating solutions to its customers.

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

Solar panels on roof under outsourced model for 545 KW at Nashik Plant, is working efficiently.

11. Capital investment on energy conservation equipments:

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

B. **Technology Absorption**

1. Efforts made towards technology absorption:

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

- New Product development - A large no. of new products developed in all segments of paints operated by Company e.g.

  Decorative Coatings - Enamels, Interior and water based decorative coatings. Following products were commercialised:

  o Hero Weatherguard12 - Feature loaded exterior luxury product 12-year warranty of performance at right price.
  o Hero Insignia – Feature loaded interior luxury emulsion with 10-year warranty and Scuff free resistance
  o Hero Floorshield- High performance water-based floor coat
  o Zero Damp Interior – Waterproofing undercoat for interior walls with 4 years warranty
  o PU Gloss- High performance enamel with high gloss and longer gloss retention
  o Magic tools- Ancillary tools like masking tape, Spray paints, sandpaper under the brand umbrella of Magic

  Industrial Coatings - Protective, OEM, General Industrial and Packaging coating segments.

  o Polysiloxane coating
  o 100% Solid PU for exterior of pipes coating
  o HP Gasflow coatings
  o High performance Alkyd coating for pipe exterior
  o PU and Epoxy paint system for Tractor sheet metal and Chassis.
  o PU and Epoxy System for Agricultural and construction segment.
  o PU plastic coatings for HDPE.

- o PU System for Bus body.
- o Peal based paint system for agri-implements.
- o Airdrying HR paint @600 Deg C.

- Value engineering activities – Large no of activities worked for value engineering activity by design modification, cost reduction, process improvement, introducing new raw materials etc.
- Carbon footprint reduction - Most new products developed are green products. New products developed utlise Bio based raw materials, High volume solid low solvent primer and topcoats. DTM metal coatings, using VOC exempt materials.
- Import Substitution – Huge amount of work has been initiated to use local raw material, additives, bioased local RM, Bio based crosslinkers for import substitution and reduce supply chain footprint.
- Upgradation - Major modification / upgradation of products initiated to improve quality and boost image and confidence of customers.
- Efficiency - Reduction in factory level losses by optimization of formulation, reduction in processing time, upgradation of testing process and minimization of waste generation.
- Collaboration - Partnership initiated with RM suppliers for collaborative work.
- Testing / approvals - Food Grade products testings carried out with local and global agencies e.g. NSF, UICT and BIS (India) etc. to supply correct products to customers.
- NABL Certification - Company's R&D Laboratory has maintained NABL certification.

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

- 30+ new products introduced in the Decorative and Industrial segments.
- Green products portfolio increased by adding new high solid products.
- Value engineering and cost optimization of existing products.
- New segments worked by company Bus body, ACE, 12+ year , high gloss Deco products added to Company's business.

Initiatives towards Accreditation, Certification and Product Recognition:

- Company has received Food grade NSF - US certification for Solvent free epoxy pipe coating manufactured at Sikandrabad and Nashik Plant
- Food lacquer and , Epoxy Amino lacquer got certified for food grade and migration test as per Regulation (EC) No 1907/ 2006 ,concerning the REACH regulation.

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

4. Expenditure incurred on Research and Development: (Rs. in Lakhs)

Particulars	**FY 2025-26**	**FY 2024-25**
Capital	10.55	1,450.73
Recurring	701.96	669.53
Total	**712.51**	**2,120.26**
Total R&D expenditure as percentage of turnover	125%	3.55%

5. Foreign Exchange Earnings and Outgo (Rs. in Lakhs)

(Equivalent INR value of various currencies)

Particulars	**FY 2025-26**	**FY 2024-25**
Inflow	1,468.61	701.85
Outflow	888.87	493.49

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

Place: Mumbai
Date: August 12, 2026

Kuldip Raina
MD & CEO
DIN: 10956069

Aaditya Sharda
Non-Executive Director
DIN: 07024283

Annexure – III to Director's Report

Form No. MR-3

Secretarial Audit Report

[For the Financial Year Ended March 31, 2026]

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

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

We, M/s. MAKS & CO., Company Secretaries (FRN: P2018UP067700) have conducted secretarial audit of the compliance of applicable statutory provisions and adherence to corporate governance practices by Shalimar Paints Limited [hereinafter referred as 'the Company'] for financial year ended March 31, 2026 ("Audit Period"). The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Limitation of the Auditors

(i) Based on our verification of the Company's books, papers, minute books, forms and returns filed, and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the Audit Period, complied with the statutory provisions listed hereunder; and

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

Auditor's Responsibility

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

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

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

The Members are requested to read Secretarial Audit Report ("Report") along with our letter dated July 27, 2026 enclosed herewith to this Report as **Annexure – A.**

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2026 according to the applicable provisions, as amended, of:

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

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

    iii) The Depositories Act, 1996 and the regulations and bye–laws framed thereunder;

    iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; *(Overseas Direct Investment and External Commercial Borrowings are not applicable to the Company during the Audit Period);*

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

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

        b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (*Not applicable to the Company during the Audit Period*)

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

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

f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with clients; *(Not applicable since the Company is not registered as Registrar to an Issue and Share Transfer Agent during the Audit Period)*

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

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

i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2. Based upon the Management Representation, wherever required from the Company, its officers, and compliance reports from the management for systems and mechanism framed by the Company and on examination of the relevant documents and records in pursuance thereof on test-check basis, we further report that there are adequate systems and processes in the Company, commensurate with the size and operations of the Company, to monitor and ensure compliance of other Acts, Laws and Regulations specifically applicable to the Company.

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

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

(b) the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as **'SEBI Listing Regulations, 2015'**) and the Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and the BSE Limited.

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

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

6. We further report that:

i. The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non–executive Director(s) and Independent Director(s) including Woman Director. 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 and SEBI Listing Regulations, 2015.

ii. Adequate notice was given to all directors to schedule the Board and Committee Meetings. Notice(s) and Agenda of Board and Committee Meetings were sent at least seven days in advance of the Meeting except in certain cases where meeting was held at shorter notice and a system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the Meetings.

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

iv. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

For **M/s MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]
Peer Review Certificate No.: 2064/2022

Ankush Agarwal
Partner
Membership No.: F9719
Certificate of Practice No.:14486
UDIN: F009719H000943883

Date: 27-07-2026
Place: Noida (Uttar Pradesh)

Annexure – A to Secretarial Audit Report dated July 27, 2026

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

The Secretarial Audit Report dated July 27, 2026 is to be read with this Letter.

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

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

3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed provide a reasonable basis for the purpose of issue of the Secretarial Audit Report.

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

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

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

For **M/s MAKS & Co.,**
Company Secretaries
[FRN P2018UP067700]
Peer Review Certificate No.: 2064/2022

Ankush Agarwal
Partner
Membership No.: F9719
Certificate of Practice No.:14486
UDIN: F009719H000943883

Date: 27-07-2026
Place: Noida (Uttar Pradesh)

Annexure - IV to Director's Report

Details of remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2026

<table>
<tr><th>S. No.</th><th>Particulars</th><th colspan="2">Details</th></tr>
<tr><td>I.</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year 2025-26</td><td colspan="2">Ratio of the remuneration of Mr. Kuldip Raina* (Managing Director & Chief Executive Officer)) and Mr. Venugopal Chetlur** (COO & WTD) to the median remuneration of employees is 96:04
Notes:
1. Sitting fees paid to the Non-Executive Independent Directors have not been considered under this clause. Non-Executive Non-Independent Directors received no remuneration during the Financial Year 2025-26.
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.</td></tr>
<tr><td rowspan="6">II.</td><td rowspan="6">The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year 2025-26</td><td>Name of the Director & KMP</td><td>% increase in remuneration</td></tr>
<tr><td>Mr. Kuldip Raina
(Appointed as Managing Director & Chief Executive Officer of the Company w.e.f. April 10, 2025)</td><td>Not Applicable</td></tr>
<tr><td>Mr. Venugopal Chetlur
(Ceased as Whole-time Director w.e.f. March 04, 2026)</td><td>-34.46</td></tr>
<tr><td>Mr. Sachin Naik (Chief Financial Officer)</td><td>-21.70</td></tr>
<tr><td>Ms. Snehal Saboo
(Company Secretary & Compliance Officer w.e.f. February 10, 2025)</td><td>Not Applicable</td></tr>
<tr><td colspan="2">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.</td></tr>
<tr><td rowspan="2">III.</td><td rowspan="2">The percentage increase/decrease in median remuneration of employees in the Financial Year 2025-26</td><td colspan="2">-5.37</td></tr>
<tr><td colspan="2">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</td></tr>
<tr><td>IV.</td><td>The number of permanent employees on the rolls of the company</td><td colspan="2">599 Employees as at March 31, 2026</td></tr>
<tr><td>V.</td><td>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</td><td colspan="2">The average percentile decrease made in the salaries of employees other than the managerial personnel is 3% which is in line with the average decrease of 10% in the managerial remuneration.
Note: While calculating remuneration, total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.</td></tr>
<tr><td>VI.</td><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td colspan="2">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.</td></tr>
</table>

* Mr. Kuldip Raina appointed as Managing Director & Chief Executive Officer of the Company w.e.f. April 10, 2025

** Mr. Venugopal Chetlur ceased to be Whole-time Director of the Company w.e.f. March 04, 2026

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

Kuldip Raina
MD & CEO
DIN: 10956069

Aaditya sharda
Non-Executive Director
DIN: 07024283

Place: Mumbai
Date: August 12, 2026

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

   The Company is committed towards improving the quality of lives of people in the communities in which it operates because the Company strongly believes that the society is an essential stakeholder and the purpose of its existence. The Company believes that giving back to the society through CSR activities is its duty.

2. Composition of the CSR Committee:

   The composition of the CSR Committee as on March 31, 2026 was as follows:

Sr. No.	Name	Position	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajeev Uberoi	Chairperson	Independent Director	0	0
2.	Mr. Venugopal Chetlur*	Member	COO	0	0
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director	0	0

* Mr. Venugopal Chetlur ceased to be Whole-time Director w.e.f March 04, 2026.

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

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not Applicable**

5. (a) Average net profit of the Company as per section 135(5) - **Rs. (7,239.35) Lakhs**
   (b) Two percent of average net profit of the company as per section 135(5) - **Not Applicable**
   (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - **Not Applicable**
   (d) Amount required to be set off for the financial year, if any - **Not Applicable**
   (e) Total CSR obligation for the financial year (7a+7b-7c) - **Not Applicable**

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) - **Not Applicable**
   (b) Amount spent in Administrative Overheads - **Not Applicable**
   (c) Amount spent on Impact Assessment, if applicable - **Not Applicable**
   (d) Total amount spent for the Financial Year [(a)+(b)+(c)] - **Not Applicable**
   (e) CSR amount spent or unspent for the financial year:

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

(f) Excess amount for set-off, if any:

Sr. No.	Particular	Amount (In Rs.)
1	Two percent of average net profit of the company as per sub-section (5) of section 135	0
2	Total amount spent for the Financial Year	0
3	Excess amount spent for the Financial Year [(ii)-(i)]	0
4	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	0
5	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0

7. **(a) Details of Unspent CSR amount for the preceding three financial years:**

Sr. No.	Preceding Financial Year (s)	Amount transferred to Unspent CSR Account under section 135 (6)(In Rs.)	Balance Amount in Unspent CSR Account under section 135 (6)(In Rs.)	Amount spent in the reporting Financial Year (In Rs.)	Amount transferred to any fund specified under Schedule VII as per section 135(5), if any			Amount remaining to be spent in succeeding financial years. (In Rs.)
					Name of the Fund	Amount (in Rs).	Date of transfer	
1	2024-25	NA	Nil	Nil	NA	Nil	NA	Nil
2	2023-24	NA	Nil	Nil	NA	Nil	NA	Nil
3	2022-23	NA	Nil	Nil	NA	Nil	NA	Nil

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:** No

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Sr. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pin Code of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered Address
Not Applicable							

9. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135:** Not Applicable

For and on behalf of the CSR Committee

Rajeev Uberoi
Chairman, CSR Committee
DIN: 01731829

Souvik Pulakesh Sengupta
Non-Executive Director
DIN: 07248395

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

2. Board of Directors

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

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

As on March 31, 2026, the Board of your Company consisted of 7 directors out of whom 1 was executive director, 4 were non-executive independent directors (including one woman director) and 2 were non-executive non-independent directors.

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

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

b. Board functioning and procedure:

i) Scheduling and Selection of Agenda items:

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

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

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

ii) Recording Minutes of the Proceedings:

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

iii) Post Meeting Follow-Up Mechanism:

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

iv) Statutory Compliance of Laws:

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

c. Board Meetings and Attendance:

During the Financial Year 2025-26, seven (7) Board Meetings were held on April 04, 2025, April 10, 2025, May 26, 2025, August 11, 2025, November 12, 2025, January 13, 2026 and February 12, 2026. The gap between any two consecutive meetings was within the limit prescribed under the Companies Act, 2013 (“Act”) and SEBI Listing Regulations. The necessary quorum was present during all the meetings. The Company effectively uses facility of audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

The attendance of Directors at Board Meetings held during the Financial Year 2025-26 and last Annual General Meeting (“AGM”) and number of their other directorships & committee memberships / chairmanships as on March 31, 2026, is as under:

S. No.	Name of Director & DIN/ Category of Director	No. of Board meetings held during the tenure	Attendance at meetings during 2025-26		No. of Shares held	No. of Directorships and Committee Memberships/ Chairmanships held in other Indian Public Limited Companies (excluding the Company)			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM		Directorships	Committee Memberships	Committee Chairmanships	
1.	Dr. Rajeev Uberoi DIN: 01731829	7	7	Yes	Nil	8	5	2	• Jindal Stainless Limited - NEID • Aurionpro Solutions Limited - NEID • IL&FS Transportation Networks Limited - NEID • The Investment Trust of India Limited – NEID • Centrum Capital Limited - NEID
2.	Mr. Kuldip Raina DIN: 10956069	5	5	Yes	Nil	1	0	0	Nil
3.	Mr. Venugopal Chetlur** DIN: 08686707	7	5	Yes	Nil	0	0	0	Nil

S. No.	Name of Director & DIN/ Category of Director	No. of Board meetings held during the tenure	Attendance at meetings during 2025-26		No. of Shares held	No. of Directorships and Committee Memberships/ Chairmanships held in other Indian Public Limited Companies (excluding the Company)			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM		Directorships	Committee Memberships	Committee Chairmanships	
4.	Mr. Souvik Pulakesh Sengupta DIN: 07248395	7	1	No	Nil	2	3	0	• RDC Concrete (India) Limited – NENID (Debt Listed)
5.	Mr. Aaditya Gajendra Sharda DIN: 07024283	7	3	No	Nil	2	1	0	• RDC Concrete (India) Limited – NENID (Debt Listed)
6.	Mr. Atul Rasiklal Desai DIN: 01918187	7	7	Yes	Nil	0	0	0	Nil
7.	Ms. Shan Jain DIN: 09661574	7	7	Yes	Nil	2	2	0	Nil
8.	Mr. Vijay Kumar Sharma DIN: 01468701	7	7	Yes	Nil	4	0	2	Nil

* NEID = Non-Executive Independent Directors and NENID = Non-Executive Non-Independent Director.

**Mr. Venugopal Chetlur resigned as Whole-time Director of the Company w.e.f. March 04, 2026

Notes:

1. Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
2. Membership of Committees only includes Audit Committee and Stakeholders Relationship Committee in all the public limited companies other than Shalimar Paints Limited. Based on the intimations/disclosures received from the Directors, none of the Directors of the Company hold Memberships/Chairpersonship of the Board/Committees, more than the prescribed limits under the Listing Regulations.
3. Maximum tenure of Independent Directors is in accordance with the Act and rules made thereunder.
4. None of the aforesaid directors of the Company are related to each other.

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

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

During the year under review, on the recommendation of NRC, has appointed Mr. Kuldip Raina, as an Additional Director as well as Managing Director and CEO of the Company under the category of Key Managerial Personnel of the Company w.e.f. April 10, 2025, for a consecutive term of three (3) years, and the aforesaid appointment have been approved by the shareholders of the Company through postal ballot passed on May 16, 2025.

During the year under review, the Board of Directors, on the recommendation of NRC, re-appointed Ms. Shan Jain, as a Non-Executive Independent Director for a second term of three (3) consecutive years w.e.f. February 13, 2026 and the aforesaid re-appointment have been approved by the shareholders of the Company through postal ballot passed on February 06, 2026.

During the year under review, Mr. Venugopal Chetlur, Chief Operating Officer & Whole-time Director of the Company has resigned from the position of Whole-time Director of the Company with effect from close of business hours on Wednesday, March 04, 2026, due to personal reasons. He continues to serve the Company in the position of Chief Operating Officer (COO) and will look after the operational management of the Company.

Further, during the current year on the recommendation of NRC, reappointed Mr. Atul Rasiklal Desai, as Non-Executive Independent Director for a second term of three (3) consecutive years w.e.f. June 28, 2026 and the aforesaid re-appointment have been approved by the shareholders of the Company through postal ballot passed on June 13, 2026.

During the current year, the Board of Directors, on the recommendation of NRC, has appointed Mr. Abhijeet Jhawar, as an Additional Director (in the category of Non-Executive Non-Independent Director) of the Company with effect from May 12, 2026, and the aforesaid appointment have been approved by the shareholders of the Company through postal ballot passed on June 13, 2026.

During the current year, Mr. Sachin Naik has resigned from the position of Chief Financial Officer (Key Managerial Personnel) of the Company with effect from close of business hours on Saturday, May 30, 2026, due to better career opportunities and professional growth prospects.

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

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

Detailed profile of each of the Directors is available on the Company's website at https://www.shalimarpaints.com/about-us/board-of-directors.

e. Confirmation regarding Independent Directors:

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

f. Meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Act read with the Rules thereunder and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the Independent Directors was held on March 12, 2026 without the attendance of Non-Independent Directors and members of the management. All the Independent Directors were present at the said meeting. The Independent Directors, inter-alia, reviewed the performance of Non-Independent Directors, Chairman and the Board of Directors as a whole. The Independent Directors also evaluated the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Chairman of the said meeting also provided the feedback to the Board about the key elements that emerge out of the meeting.

g. Registration in Independent Directors' Data Bank:

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

h. Performance Evaluation Criteria for Independent Directors:

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

i. Familiarization Programme for Board Members including Independent Directors:

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

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

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

The framework and the details of familiarization programme conducted for Board members may be accessed on the Company's website at the links https://www.shalimarpaints.com/investors-relations/codes-and-policies.

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

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

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

*Mr. Venugopal Chetlur resigned as Whole-time Director of the Company w.e.f. March 04, 2026

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

3. Board Committees

To ensure timely and effective functioning of the Board of Directors and the Company, in addition to compliance with the provisions of the Companies Act, 2013, Rules framed thereunder, SEBI Listing Regulations and other applicable regulations, guidelines, circulars and notifications of the Securities and Exchange Board of India ("SEBI"), the Board of Directors has constituted various Committees with specific terms of reference, which include Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee, Share Transfer Committee and Sub-Committee of Board of Directors. The Committees meet as often as required. The Board is updated on the discussions held at the Committee meetings and the recommendations made by the various Committees. The minutes of meetings of these Committees are placed at the Board meetings. All the recommendations made by the Committees to the Board of Directors during the Financial Year 2025-26 were accepted by the Board of Directors.

3.1 Audit Committee

a. Composition: The composition of the Audit Committee conforms with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The composition of the Audit Committee as on March 31, 2026 was as under:

Sr. No.	Name	Position	Category
1.	Mr. Vijay Kumar Sharma	Chairman	Independent Director
2.	Dr. Rajeev Uberoi	Member	Independent Director
3.	Ms. Shan Jain	Member	Independent Director
4.	Mr. Aaditya Sharda	Member	Non-Executive Non-Independent Director

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

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

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134(3)(c) of the Act;
  - changes, if any, in accounting policies and practices and reasons for the same;
  - major accounting entries involving estimates based on the exercise of judgment by management;
  - significant adjustments made in the financial statements arising out of audit findings;
  - compliance with listing and other legal requirements relating to financial statements;
  - disclosure of any related party transactions; and
  - qualifications / modified opinion(s) in the draft audit reports.
- Reviewing with the management, the quarterly / annual financial results / statements before submission to the Board for approval;
- Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), if any, the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement and making appropriate recommendations to the Board to take up steps in this matter;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
- Evaluation of internal financial controls and risk management systems;
- Reviewing with the management, performance of statutory and internal auditors and the adequacy of internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern;
- To review the functioning of the Whistle Blower Mechanism;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;

- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

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

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- Internal Audit Reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the internal auditors;
- Statement of Deviations, if applicable:
  (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.
  (ii) Annual statements of funds utilized for purposes other than those stated in the offer documents / prospectus / notice, if applicable, in terms of Regulation 32(7) of SEBI Listing Regulations; and
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended.

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

d. Communication Framework between Statutory Auditors and Those Charged With Governance (TCWG): Pursuant to the National Financial Reporting Authority ("NFRA") Circular No. NF-25013/3/2025-NFRA dated January 7, 2026 on "Effective Communication Between Statutory Auditors and Those Charged with Governance, Including Audit Committees", and in line with the applicable provisions of the Companies Act, 2013 and Standards on Auditing, the Board has constituted a Committee of the Board as 'Those Charged with Governance' ("TCWG") for the purpose of communication and interaction with the Statutory Auditors of the Company.

The TCWG comprises the Members of the Audit Committee, Independent Directors and Mr. Kuldip Raina, Managing Director and Chief Executive Officer. Further, Mr. Kuldip Raina has been designated as the Nodal Person to facilitate effective communication and coordination between the Statutory Auditors and the TCWG.

The Company believes that the constitution of the TCWG, designation of a Nodal Person and implementation of a structured communication framework will further enhance the quality, objectivity and transparency of the audit process and reinforce the Company's commitment to strong corporate governance and regulatory compliance.

e. Meetings of Audit Committee and attendance of members: During the Financial Year 2025-26, four (4) meetings of the Audit Committee were held on May 26, 2025, August 11, 2025, November 12, 2025 and February 12, 2026. Requisite quorum was present during all the meetings. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Vijay Kumar Sharma	4	4
2.	Dr. Rajeev Uberoi	4	4
3.	Ms. Shan Jain	4	4
4.	Mr. Aaditya Sharda	4	1

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

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

3.2 Nomination and Remuneration Committee

a. Composition: The composition of the Nomination and Remuneration Committee conforms with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The composition of the Committee as on March 31, 2026 was as under:

S. No.	Name	Position	Category
1.	Mr. Atul Rasiklal Desai	Chairman	Independent Director
2.	Dr. Rajeev Uberoi	Member	Independent Director
3.	Ms. Shan Jain	Member	Independent Director

The Committee comprises of all Non-Executive Independent Directors.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  a. use the services of an external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfilment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

b. Meetings of Nomination and Remuneration Committee and attendance of members: During the Financial Year 2025-26, two (2) meetings of the Nomination and Remuneration Committee were held on April 04, 2025 and April 10, 2025. Requisite quorum was present during all the meetings. The attendance of members of the Nomination and Remuneration Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Atul Desai	2	2
2.	Dr. Rajeev Uberoi	2	2
3.	Ms. Shan Jain	2	2

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

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

The Nomination and Remuneration Committee determine the criteria to identify the Directors and Key Managerial Personnel in accordance with the criteria laid down, and recommend to the Board. Following policies relating to the appointment and remuneration for the Directors, Key Managerial Personnel and other employees which were approved by the Board:

Sr. No.	Name of the Policy	Weblink
1.	Nomination and Remuneration Policy	https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf
2.	Terms and Conditions for Appointment of Independent Directors	https://www.shalimarpaints.com/uploads/Terms_and_conditions_of_Appointment_of_Independent_Directors1.pdf

d. Appointment: The Nomination and Remuneration Committee ('NRC') determines the criteria of appointment to the Board and is vested with the authority to identify candidates for appointment to the Board of Directors. In evaluating the suitability of a person for appointment / continuing to hold appointment as a Director, the NRC takes into account among others, Board diversity, person's eligibility, qualification, expertise, track record, general understanding of the business, professional ethics, integrity and other fit and proper criteria. Based on recommendation of the NRC, the Board evaluates the candidate(s) and decide on the selection of the appropriate member.

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

The details of remuneration paid to the directors during the Financial Year 2025-26 are as under:

- Executive Director:

The details of remuneration paid to Mr. Kuldip Raina*and Mr. Venugopal Chetlur** during the year under review and other relevant disclosures are as follows:

Amount (in Rs.)

Name	Designation	Salary	Other Allowances	Contribution to PF and Other Funds	Total	Period of Agreement	Notice Period
Mr. Kuldip Raina*	Managing Director & Chief Executive Officer	1,23,26,208	18,204	4,68,000	1,28,12,412	Three (3) years from the date of appointment	2 Months
Mr. Venugopal Chetlur**	Chief Operating Officer & Whole-Time Director	1,06,46,433	3,61,694	4,17,339	1,14,25,466	Three (3) years from the date of appointment	2 Months

*Mr. Kuldip Raina appointed as Managing Director & Chief Executive Officer of the Company w.e.f. 10.04.2025.

** Mr. Venugopal Chetlur ceased to be Whole-time Director of the Company w.e.f. 04.03.2026

- Non - Executive Independent Directors:

All the Non-Executive Independent Directors are being paid sitting fees for attending meetings of the Board and Committees thereof. The details of sitting fees paid to the Non-Executive Independent Directors during the Financial Year 2025-26 are as follows:-

Amount (in Rs.)

Sr. No.	Name of Director	Sitting Fees Paid
1.	Dr. Rajeev Uberoi	9,25,000
2.	Mr. Vijay Kumar Sharma	5,75,000
3.	Mr. Atul Rasiklal Desai	4,50,000
4.	Ms. Shan Jain	6,00,000

During the year under review, no commission has been paid to the Non-Executive Directors. There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors except those disclosed in the Financial Statements for the Financial Year ended on March 31, 2026.

3.3 Stakeholders' Relationship Committee

a. Composition: The composition of Stakeholders' Relationship Committee conforms with the requirements of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The composition of the Committee as on March 31, 2026 was as under:

Sr. No.	Name	Position	Category
1.	Mr. Atul Desai	Chairman	Independent Director
2.	Mr. Kuldip Raina*	Member	MD & CEO
3.	Mr. Aaditya Sharda	Member	Non-Executive Non-Independent Director
4.	Ms. Shan Jain	Member	Independent Director

* Mr. Kuldip Raina appointed as member w.e.f. 26.05.2025

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

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

c. Meetings of Stakeholders' Relationship Committee and attendance of members: During the Financial Year 2025-26, one (1) meeting of the Stakeholders' Relationship Committee was held on February 12, 2026. Requisite quorum was present during the meeting. The attendance of members of the Committee at this meeting was as follows:

Sr. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Atul Desai	1	1
2.	Mr. Kuldip Raina	1	1
3.	Mr. Aaditya Sharda	1	0
4.	Ms. Shan Jain	1	1

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

d. Stakeholders' Grievance Redressal: The details of the investor's complaints received and resolved during the Financial Year 2025-26 are as follows:

No. of complaints pending as on April 01, 2025	Nil
No. of complaints received during the financial year	3
No. of complaints not solved to the satisfaction of shareholders	0
No. of complaints pending as on March 31, 2026	Nil

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

3.4 Risk Management Committee

a. Composition: The composition of the Risk Management Committee conforms with the requirements of Regulation 21 of SEBI Listing Regulations. The composition of the Risk Management Committee as on March 31, 2026 was as under:

Sr. No.	Name	Position	Category
1.	Ms. Shan Jain	Chairperson	Independent Director
2.	Dr. Rajeev Uberoi	Member	Independent Director
3.	Mr. Kuldip Raina*	Member	MD & CEO
4.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

* Mr. Kuldip Raina appointed as member w.e.f. 26.05.2025

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

- Formulation of a detailed risk management policy which shall include:
  - a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy including evaluating the adequacy of risk management systems;

- Reviewing periodically the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- Coordinating its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the board of directors; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfilment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Meetings of Risk Management Committee and attendance of members: During the Financial Year 2025-26, two (2) meetings of Risk Management Committee were held on May 26, 2025 and November 12, 2025. Requisite quorum was present during all the meetings. The intervening period between two (2) consecutive meetings of Risk Management Committee was well within the maximum allowed gap of 210 days. The attendance of members of the Risk Management Committee at these meetings was as follows:

Sr. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Ms. Shan Jain	2	2
2.	Dr. Rajeev Uberoi	2	2
3.	Mr. Souvik Pulakesh Sengupta	2	0
4.	Mr. Kuldip Raina*	1	1
5.	Mr. Venugopal Chetlur*	1	1

* Mr. Kuldip Raina appointed as member and Mr. Venugopal Chetlur ceased to be a member w.e.f. 26.05.2025

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

3.5 Corporate Social Responsibility Committee

a. Composition: The composition of Corporate Social Responsibility Committee conforms with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition of the Committee as on March 31, 2026 was as under:

Sr. No.	Name	Position	Category
1.	Mr. Rajeev Uberoi	Chairman	Independent Director
2.	Mr. Venugopal Chetlur	Member	COO
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

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

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

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

c. Corporate Social Responsibility Policy:

The Corporate Social Responsibility Policy of the Company has been uploaded on the Company's website and can be accessed at: https://www.shalimarpaints.com/investors-relations/codes-and-policies

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

d. Meetings and attendance during the year: The Company did not have any CSR obligation for the year under review and hence no meetings of the Committee were held during the year under review.

3.6 Share Transfer Committee

a. Composition: The Board of Directors has delegated the power of approving transfer / transmission / transposition of securities and other related formalities to the Share Transfer Committee. The Committee meets from time to time on need basis. The composition of the Committee as on March 31, 2026 was as under:

Sr. No.	Name	Position	Category
1.	Mr. Kuldip Raina*	Chairman	MD & CEO
2.	Mr. Sachin Naik	Member	Chief Financial Officer
3.	Ms. Snehal Saboo*	Member	Company Secretary & Compliance Officer

* Mr. Kuldip Raina appointed as Chairman and Ms. Snehal Saboo appointed as Member w.e.f 12.11.2025

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

b. Meetings of Share Transfer Committee and attendance of members: During the Financial Year 2025-26, three (3) meetings of Share Transfer Committee were held on August 07, 2025, March 06, 2026 and March 18, 2026. Requisite quorum was present during the meeting. The attendance of members of the Committee at the meeting was as follows:

Sr. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Kuldip Raina*	2	2
2.	Mr. Venugopal Chetlur**	1	1
3.	Mr. Sachin Naik	3	3
4.	Ms. Snehal Saboo*	2	2

*Mr. Kuldip Raina appointed as Chairman and Ms. Snehal Saboo appointed as Member w.e.f 12.11.2025

** Mr. Venugopal Chetlur ceased to be member w.e.f 12.11.2025

3.7 Sub-Committee of Board of Directors

a. Composition: The Board has constituted a Sub-Committee of Directors which has been delegated with certain powers of the Board of Directors in accordance with the provisions of the Act and the rules framed thereunder. The Committee meets from time to time on need basis to transact the matters of urgency. The composition of the Committee as on March 31, 2026 was as under:

Sr. No.	Name	Position	Category
1.	Mr. Kuldip Raina*	Chairman	MD & CEO
2.	Mr. Venugopal Chetlur	Member	Independent Director
3.	Mr. Atul Desai*	Member	Independent Director

* Mr. Kuldip Raina appointed as Chairman and Mr. Atul Desai appointed as Member w.e.f 26.05.2025.

b. Meetings of Sub-Committee and attendance of members: During the Financial Year 2025-26, Nine (9) meetings of Sub-Committee of Board of Directors were held on April 14, 2025, June 10, 2025, July 07, 2025, August 13, 2025, December 12, 2025, January 13, 2026, January 16, 2026, March 10, 2026 and March 24, 2026. Requisite quorum was present during all the meetings. The attendance of members of the Sub-Committee at these meetings was as follows:

Sr. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Venugopal Chetlur	9	9
2.	Ms. Shan Jain*	1	1
3.	Mr. Vijay Kumar Sharma*	1	1
4.	Mr. Kuldip Raina**	8	8
5.	Mr. Atul Desai**	8	8

* Ms. Shan Jain and Mr. Vijay Kumar Sharma ceased to be member w.e.f 26.05.2025

** Mr. Kuldip Raina appointed as Chairman and Mr. Atul Desai appointed as member w.e.f 26.05.2025

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

4. Senior Management

Particulars of Senior Management Personnel of the Company as on March 31, 2026 including the changes therein since the close of the previous financial year are as given below:

Sr. No.	Name	Designation
1.	Mr. Venugopal Chetlur	Chief Operating Officer
2.	Mr. Sachin Naik	Chief Finance Officer
3.	Mr. Rakesh Gupta	Director- Manufacturing
4.	Mr. Sanjeev Gupta	Director- R&D
5.	Mr. Suresh Nair	Vice President- Industrial Sales
6.	Mr. Rahul Jaywant Shirdhankar	Vice President- Decorative Sales
7.	Mr. Vishal Anand Bhagat	Head-Marketing
8.	Mr. Hardik Parikh	Head-Supply Chain
9.	Mr. Mathew Joseph Kallor	General Manager- IT
10.	Mr. Ranjit Singh Malhi	Assistant General Manager - Procurement
11.	Ms. Snehal Saboo	Company Secretary & Compliance Officer

Changes during FY 2025-26		
Appointments		
Sr. No.	**Name and Designation**	**Effective Date**
1.	Ms. Shalmali Sharma	April 10, 2025
2.	Mr. Hardik Parikh	June 01, 2025
3.	Mr. Mathew Joseph Kallor	March 06, 2026
4.	Mr. Rahul Jaywant Shirdhankar	March 23, 2026
Resignations		
Sr. No.	**Name and Designation**	**Effective Date**
1.	Mr. Varun Malik	May 31, 2025
2.	Mr. Rahul Jaywant Shirdhankar	November 30, 2025
3.	Mr. Amit Kumar	December 06, 2025
4.	Ms. Shalmali Sharma	March 31, 2026

5. Employees Stock Option Scheme

During the year under review, no shares have been offered by the Company pursuant to Employee Stock Option Scheme, 2022 i.e. 'ESOP 2022' of the Company.

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

Details for the FY 2025-26 as required under the SEBI SBEB Regulations w.r.t. 'ESOP 2022' have been uploaded on the website of the Company and can be accessed through the following link at www.shalimarpaints.com.

There is no material change in the ESOP schemes of the Company during the year.

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

6. Directors and Officers Liability Insurance ('D&O POLICY')

In compliance with the provisions of Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D&O) on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.

7. General Body Meetings

ANNUAL GENERAL MEETINGS:

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

Financial Year	Day and Date*	Time	Special Resolution(s) passed
2024-25	Friday 26.09.2025	12:30 P.M.	No Special resolution was passed
2023-24	Friday 27.09.2024	12:30 P.M.	• Appointment of Mr. Vijay Kumar Sharma (DIN: 01468701) as Non-Executive Independent Director of the Company • Appointment of Mr. Venugopal Chetlur (DIN: 08686707) as Director of the Company • Appointment of Mr. Venugopal Chetlur (DIN: 08686707) as Whole-time Director (designated as 'Chief Operating Officer & Whole-time Director') of the Company
2022-23	Wednesday 27.09.2023	12:30 P.M.	• Appointment of Mr. Atul Rasiklal Desai (DIN: 01918187) as Non-Executive Independent Director of the Company

* Held through Video Conferencing / Other Audio-Visual Means

EXTRAORDINARY GENERAL MEETING:

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

POSTAL BALLOT:

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

- **Postal Ballot Notice dated April 10, 2025, result whereof was announced on May 19, 2025:**

ORDINARY RESOLUTION: APPOINTMENT OF MR. KULDIP RAINA AS DIRECTOR OF THE COMPANY

No. of votes polled	% of Votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled	% of Votes against on votes polled
6,22,26,571	74.33	6,22,25,782	789	99.99	0.01

SPECIAL RESOLUTION: APPOINTMENT OF MR. KULDIP RAINA AS MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER (MD & CEO) OF THE COMPANY

No. of votes polled	% of Votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled	% of Votes against on votes polled
6,22,26,571	74.33	6,22,24,548	2,023	99.99	0.003

- **Postal Ballot Notice dated January 02, 2026, result whereof was announced on February 09, 2026:**

SPECIAL RESOLUTION: TO CONSIDER AND APPROVE THE REAPPOINTMENT OF MS. SHAN JAIN (DIN: 09661574) AS AN INDEPENDENT DIRECTOR OF THE COMPANY

No. of votes polled	% of Votes polled on outstanding shares	No. of votes - in favour	No. of votes - against	% of votes in favour on votes polled	% of Votes against on votes polled
6,24,70,609	74.626	6,24,36,324	34,285	99.945	0.055

PROCEDURE FOR POSTAL BALLOT:

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

The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing remote e-voting facility to all its members. The Postal Ballot Notice was sent to the members in electronic form at their email addresses registered with the depositories/RTA. The Company also published notice in newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India.

Mr. Ankush Agarwal (COP No. 14486), Partner of M/s. MAKS & Co., Company Secretaries (FRN P2018UP067700) was appointed as the Scrutinizer to scrutinize the postal ballot process by voting through electronic means only (remote e-voting) in a fair and transparent manner.

The Scrutinizer submitted his report to the Chairman or any person authorised by him in writing of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced by the Chairman/Authorised Person. The results were displayed on the Company's website at www.shalimarpaints.com, and were made available on the websites of the Stock Exchanges and CDSL.

8. **Means of Communication**

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

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

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

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

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

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

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

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

9. General Information for Shareholders

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

b. **124th Annual General Meeting**:

Venue	:	The 124th AGM of the Company will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram - 122001, Haryana
Date and Time	:	Wednesday, September 09, 2026 at 12:30 p.m.
Remote e-voting period	:	Saturday, September 05, 2026 (09:00 a.m.) to Tuesday, September 08, 2026 (05:00 p.m.)

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

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

d. **Financial Calendar 2026-27**:

S. No.	Tentative Schedule	Actual or Tentative Date (on or before as the case may be)
1.	Financial reporting for the quarter ended June 30, 2026	August 12, 2026 (Actual)
2.	Financial reporting for the quarter ending September 30, 2026	November 14, 2026
3.	Financial reporting for the quarter ending December 31, 2026	February 14, 2027
4.	Financial reporting for the year ending March 31, 2027 (Audited)	May 30, 2027
5.	Annual General Meeting for the year ending March 31, 2027	September 30, 2027

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

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

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

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

f. **Disclosures with Respect to Unclaimed Suspense Account**

The requisite disclosures as per Schedule V (F) of the SEBI Listing Regulations during the financial year under review are given below:

Particulars	No. of equity Shareholders	No. of equity shares
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the FY 2025-26 i.e., April 1, 2025	1	50
Number of Shareholders who approached listed entity for transfer of shares from suspense account during the FY 2025-26	0	0
Number of Shareholders to whom shares were transferred from suspense account during the FY 2025-26	0	0
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the end of the FY 2025-26 i.e., March 31, 2026	1	50

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

h. **Listing on Stock Exchanges**:

1. **BSE Limited**

   Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001.

2. **National Stock Exchange of India Limited**

   Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East) Mumbai 400051.

The Company has paid the Listing Fees to BSE Limited and National Stock Exchange of India Limited.

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

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

M/s. Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Complex, New Delhi – 110062

Tel : 011-29961281-283

Fax : 011-29961284

E-mail : beetalrta@gmail.com

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

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

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

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

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

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

In case of shares in electronic form, the transfers are processed by NSDL / CDSL through the respective Depository Participants. Shareholders are advised to dematerialize their shares held by them in physical form. Requests for dematerialization of shares are processed and confirmation thereof is given to the respective depositories i.e. NSDL and CDSL within the statutory time limit, from the date of receipt of documents complete in all respects along with the share certificates. The share transfer work is being carried out by the Company's Registrar and Transfer Agent ("RTA"), who are also having connectivity with the depositories, viz., NSDL and CDSL. The power of approving the transfer of shares has been delegated to the RTA so that they can attend to the share transfer formalities on fortnightly basis.

m. **Dematerialization of shares and its liquidity**: As on March 31, 2026, about 99.79% of the total equity share capital of the Company was held in dematerialized form. Since, the Equity Shares of the Company are compulsorily traded in dematerialized form, accordingly, the shareholders holding shares in physical form are requested to contact any of the Depository Participants in their vicinity to get their shares dematerialized at the earliest.

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

n. **Reconciliation of Share Capital Audit**: The Company gets reconciliation of share capital audit done from a qualified practicing Company Secretary in each quarter to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit report confirms that the total issued / paid up capital is in agreement with the total number of equity shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL. The Audit Reports for each quarter of the Financial Year 2025-26, have duly been filed with Stock Exchanges within 30 days from the end of the respective quarter.

o. **Shareholding as on March 31, 2026**:

- Distribution of shareholding as on March 31, 2026:

Category (Amount)	Shareholders		Equity Shares held	
From - To	**Number**	**Percentage**	**Number**	**Percentage**
Up to 5,000	31,320	96.35	66,76,842	7.98
5,001 - 10,000	621	1.91	22,81,546	2.73
10,001 - 20,000	290	0.89	21,14,337	2.53
20,001 - 30,000	84	0.26	10,42,865	1.25
30,001 - 40,000	27	0.08	4,75,632	0.57
40,001 - 50,000	26	0.08	5,94,716	0.71
50,001 - 1,00,000	65	0.20	22,99,982	2.75
1,00,001 and above	73	0.22	6,82,25,258	81.50
Total	**32,506**	**99.99**	**8,37,11,178**	**100.00**

- Category of shareholders as on March 31, 2026:

Category	No. of shares	% of Shareholding
Promoters and Promoter Group	6,27,49,651	74.96
Financial Institutions/Banks/Mutual Funds/ Alternate Investment Funds/Insurance Companies	27,641	0.03
NRIs/OCBs/FIIs/Foreign Portfolio Investors	64,171	0.08
Bodies Corporate	12,53,409	1.50
Indian Public/Trust/Others	1,96,16,306	23.43
Total	**8,37,11,178**	**100.00**

p. **Outstanding global depository receipts or american depository receipts, Warrants or any Convertible Instruments, conversion dates and likely impact on equity**:

The Company does not have any outstanding global depository receipts or american depository receipts, Warrants or any convertible instruments as on March 31, 2026.

q. **Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32 (7A) of Listing Regulations**: The Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A) of Listing Regulations.

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

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

s. **Address for Correspondence**:

For transfer/ dematerialization of shares, payment of dividend and any other query relating to shares	Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Tel : 011-29961281-283 Fax : 011-29961284 E-mail : beetalrta@gmail.com
For investor's assistance	Shalimar Paints Limited, Secretarial Department, Olethia Business Spaces, Plot No. A184 and A185, Road No. 16Z, Opposite Ashar IT park, Wagle Industrial Estate, Thane 400604 Tel : 1800 103 6509 E-Mail : askus@shalimarpaints.com Website: www.shalimarpaints.com

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

10. Other Disclosures

a. **Related Party Transactions**: During the financial year 2025-26, the Company has not entered into any transaction of material nature with the related parties that may have any potential conflict with the interests of the Company.

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

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

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

c. **Vigil Mechanism/ Whistle Blower Policy**: The Company has formulated a Whistle Blower Policy ("WBP") in accordance with the requirements of Section 177(9) of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of the SEBI Listing Regulations and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015. The WBP provides for establishment of vigil mechanism for directors and employees to report genuine concerns or grievances. It encourages all employees, directors and business partners to report any suspected violations promptly and intends to investigate any bona-fide reports of violations. It also specifies the procedures and reporting authority for reporting unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including financial irregularities, including fraud, or suspected fraud, wastage / misappropriation of Company's funds / assets etc. The WBP also provides for adequate safeguards against victimization of employees and directors who avail the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases. The WBP has also been uploaded on Company's website at the following link: https://www.shalimarpaints.com/investors-relations/codes-and-policies.

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

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

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

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

f. **Dividend Distribution Policy**: The Company has formulated a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of SEBI Listing Regulations, which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/investors-relations/codes-and-policies

g. **Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**:

Number of complaints filed during the Financial Year 2025-26	0
Number of complaints disposed off during the Financial Year 2025-26	0
Number of complaints pending as on end of the Financial Year 2025-26	0

h. **Disclosure of Loans and Advances in the nature of loans provided by the Company or its subsidiaries to firms/companies in which directors are interested by name and amount**: The Company has not made any loans or advances in the nature of loans to firms/companies in which Directors are interested during Financial Year 2025-26.

i. **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:** Total fees for all services (excluding out of pocket expenses) paid by the Company and its subsidiaries on a consolidated basis is ₹ 78.19 Lakhs.

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

   The Company has reaffirmed its credit rating of CARE BB+; Negative for long term bank facilities and CARE A4+ for short term bank facilities by CARE Ratings Limited.

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

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

m. **Disclosure of Certain Types of Agreements Binding Listed Entities**

   The Company has not been informed of any agreement under Regulation 30A(1) read with clause 5A of paragraph A of Part A of Schedule III of the SEBI Listing Regulations. Accordingly, there was no requirement for disclosing the same.

n. **Compliance with mandatory requirements and adoption of non-mandatory requirements:**

   - Mandatory requirements: The Company has complied with all mandatory requirements of the SEBI Listing Regulations with regard to corporate governance. M/s. MAKS & Co., have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the SEBI Listing Regulations for the financial year ended March 31, 2026.
   - Non-mandatory requirements: The status on the compliance with the non-mandatory recommendations / discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations is as under:

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

     ii. Shareholders' rights: The quarterly / half-yearly / annual financial results, after approval of the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading "Means of Communication" at Sr. No. 8 above, and also displayed on the Company's website viz. https://www.shalimarpaints.com. The results are not separately circulated to the shareholders.

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

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

v. Independent Directors: During the financial year under review the Independent Directors held one meeting on March 12, 2026 without the presence of non-independent directors and members of the management and all the independent directors on that date were present in that meeting.

o. **Disclosure of the compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations:** During the financial year 2025-26, the Company has duly complied with all the provisions mentioned under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations.

11. Other Information

a. CEO/CFO Certification: The Managing Director and Chief Financial Officer have certified, in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification on the Financial Statements, internal control and the Cash Flow Statement for the Financial Year 2025-26 is annexed as **Annexure - I** and forms part of this Report. The Managing Director and Chief Financial Officer also give quarterly certificate on the financial results while placing the same before the Board in terms of the Regulation 33(2) of the SEBI Listing Regulations.

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

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

d. Code of Conduct**:** The Company has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and the senior management personnel of the Company have affirmed compliance with the said Code for the Financial Year ended March 31, 2026. The said Code of Conduct is also available on the Company's website at the following link: https://www.shalimarpaints.com/investors-relations/codes-and-policies. The declaration of the Managing Director of the Company in this regard is given below:

DECLARATION ON CODE OF CONDUCT

To,

The Shareholders of **Shalimar Paints Limited**

I hereby declare that for the Financial Year ended March 31, 2026, all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct, as adopted by the Board of Directors.

Kuldip Raina
Managing Director & CEO
DIN: 10956069

Place: Mumbai
Date: May 28, 2026

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

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

We have examined the compliance of conditions of Corporate Governance by Shalimar Paints Limited (**"the Company"**), for the financial year ended March 31, 2026 as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) pursuant to the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance as stipulated under the SEBI Listing Regulations is the responsibility of the management of the Company including the preparation and maintenance of all the relevant records and documents. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations for the year ended on March 31, 2026.

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

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

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
UDIN: F009719H000943520

Date: 27-07-2026
Place: Noida (U.P.)

Annexure - I

Certificate from MD & CEO and Chief Financial Officer

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

To,
The Board of Directors
Shalimar Paints Limited

We do hereby confirm and certify that:

1. We have reviewed the Financial Statements and the cash flow statement of Shalimar Paints Limited for the Year ended March 31, 2026 and to the best of our knowledge and belief, we state that;

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

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

2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any material reportable deficiencies in the design or operation of such internal controls.

4. We have indicated to the Auditors and the Audit Committee:

   (i) that there are no significant changes in internal controls over financial reporting during the Year;

   (ii) that there are no significant changes in accounting policies during the Year; and

   (ii) that there were no instances of significant fraud of which we have become aware.

For Shalimar Paints Limited

Place: Mumbai	**Kuldip Raina**	**Sachin Naik**
Date: May 28, 2026	**(MD & CEO)**	**(Chief Financial Officer)**

Annexure – II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on 31st March, 2026 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority as applicable.

S. No.	Name of Director	DIN	Date of Appointment
1.	Mr. Rajeev Uberoi	01731829	11/05/2021
2.	Mr. Vijay Kumar Sharma	01468701	23/07/2024
3.	Mr. Souvik Pulakesh Sengupta	07248395	24/02/2022
4.	Ms. Shan Jain	09661574	13/02/2023
5	Mr. Kuldip Raina	10956069	10/04/2025
6.	Mr. Aaditya Gajendra Sharda	07024283	11/04/2024
7.	Mr. Atul Rasiklal Desai	01918187	28/06/2023
8.	Mr. Venugopal Chetlur**	08686707	23/07/2024

*** Ceased to be Whole Time Director of the Company due to his resignation w.e.f. March 04, 2026*

Ensuring the eligibility for the appointment and continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these, based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

Ankush Agarwal
Partner
Membership No: F9719
Certificate of Practice No: 14486
Peer Review Certificate No.: 2064/2022
UDIN: F009719H000943586

Date: 27-07-2026
Place: Noida (U.P.)

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

FY 25-26

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L24222HR1902PLC065611
2.	Name of the Listed Entity	Shalimar Paints Limited
3.	Year of incorporation	1902
4.	Registered office address	Stainless Centre, 4th Floor, Plot No. 50, Sector -32, Gurugram, Haryana - 122001
5.	Corporate address	Olethia Business Spaces, Plot No. A-184 and A-185, Road No. 16Z, Opposite Ashar IT Park, Wagle Industrial Estate, Thane (West) - 400604
6.	E-mail	askus@shalimarpaints.com
7.	Telephone	1800 103 6509
8.	Website	www.shalimarpaints.com
9.	Financial year for which reporting is being done	FY 2025-2026
10.	Name of the Stock Exchange(s) where shares are listed	1. National Stock Exchange of India Limited (NSE) 2. BSE Limited (BSE)
11.	Paid-up Capital	167422356 INR
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Ms. Snehal Saboo Company Secretary & Compliance Officer Contact No.: 1800 103 6509 E-mail: askus@shalimarpaints.com
13.	Reporting boundary - standalone or consolidated basis	Standalone
14.	Name of assurance provider / assessor	-
15.	Type of assurance / assessment obtained	-

Note: The Howrah plant is currently non-operational, and as a result, only electricity consumption metrics are recorded for this location.

II. Products/services

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

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover
1	Manufacturing	Shalimar Paints is involved in the development, manufacturing, marketing, and distribution of a comprehensive range of paints and coatings. The company caters to a wide variety of customers, offering products designed to meet the specific requirements of different market segments.	95 %

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

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

III. Operations

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

	Number of plants	Number of offices	Total
National	4*	1	5
International	0	0	0

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

19. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	22 states + 1 UTs
International (No. of Countries)	2

b. Contribution of exports as a percentage of the total turnover of the entity: 0.95%

c. A brief on types of customers

Shalimar Paints engages in the development, production, marketing, and distribution of a broad spectrum of paints and coatings. The company serves a diverse array of customers by providing products that are specifically crafted to address the unique needs of various market segments.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		EMPLOYEES				
1.	Permanent (D)	556	533	95.87 %	23	4.14 %
2.	Other than Permanent (E)	25	22	88 %	3	12 %
3.	**Total employees (D + E)**	581	555	95.53 %	26	4.48 %
		WORKERS				
1.	Permanent (F)	43	43	100 %	0	0 %
2.	Other than Permanent (G)	436	429	98.4 %	7	1.61 %
3.	**Total workers (F + G)**	479	472	98.54 %	7	1.47 %

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		DIFFERENTLY ABLED EMPLOYEES				
1.	Permanent (D)	0	0	0 %	0	0 %
2.	Other than Permanent (E)	0	0	0 %	0	0 %
3.	**Total differently abled employees (D + E)**	0	0	0 %	0	0 %
		DIFFERENTLY ABLED WORKERS				
1.	Permanent (F)	0	0	0 %	0	0 %
2.	Other than Permanent (G)	0	0	0 %	0	0 %
3.	**Total differently abled workers (F + G)**	0	0	0 %	0	0 %

21. **Participation/Inclusion/Representation of women**

	Total (A)	No. of Females (B)	% of females (B/A)
Board of Directors	7	1	14.29 %
Key Management Personnel	2	1	50 %

22. **Turnover rate for permanent employees and workers**

Particulars	2025 - 26			2024 - 25			2023 - 24		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	48.49%	36.37%	48.02%	50.14%	72.35%	51.02%	26.84%	21.21%	26.61%
Permanent Workers	26.27%	0%	26.27%	5.10%	0%	5.10%	41.81%	50%	43.28%

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) **Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name (A)	Holding/Subsidiary/ Associate/JV	% shares held	Participates in BR initiatives?
1	Hella Infra Market Limited	Holding	0 %	No
2	Shalimar Adhunik Nirman Limited	Subsidiary	99.99 %	No
3	IM Inicio Projects Private Limited (Formerly Eastern Speciality Paints & Coatings Private Limited)	Subsidiary	100 %	No

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes
(ii) Turnover (in Rs.): 5661658161 INR
(iii) Net worth (in Rs.): 2376573333 INR

Note: Shalimar Paints does not fall under the obligation of CSR as per Section 135 of the Companies Act, 2013

VII. Transparency and Disclosures Compliances

25. **Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group	Grievance Mechanism (Y/N)	Web-link for policy	Current FY: Filed	Current FY: Pending	Current FY: Remarks	Previous FY: Filed	Previous FY: Pending	Previous FY: Remarks
Communities	Yes	Yes. All the stakeholders' complaints are registered through the given email-id (askus@shalimarpaints.com) which is provided to all the stakeholders to raise any complaints or concerns	0	0	-	0	0	-
Investors (other than shareholders)			0	0	-	0	0	-
Shareholders			2	0	-	1	0	-
Employees and workers			0	0	-	2	0	-

Stakeholder group	Grievance Mechanism (Y/N)	Web-link for policy	Current FY: Filed	Current FY: Pending	Current FY: Remarks	Previous FY: Filed	Previous FY: Pending	Previous FY: Remarks
Customers			0	0	-	1	1	Order was passed against us before District Consumer Disputes Redressal Commission, Pathankot. Thereafter, we filed an appeal against the said Order before the State Consumer Disputes Redressal Commissio, Chandigarh.
Value Chain Partners			0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Waste Management	Risk	Implementing stringent protocols for handling hazardous waste in business operations is crucial to ensuring the health and well-being of employees while protecting the surrounding environment from potential threats. Adopting comprehensive waste management strategies enables businesses to mitigate risks and maintain compliance with regulatory standards.	• Develop and implement a comprehensive waste management plan. • Regularly monitor waste management practices and conduct internal audits to identify opportunities for improvement and ensure compliance with waste handling regulations. • Establish emergency response preparedness, including a contingency action plan for addressing and mitigating emergency situations. • Follow a safe design plan and adhere to Occupational Health and Safety standards.	**Negative implications:** • Costs associated with fines or penalties due to non-compliance with waste disposal regulations. • Environmental contamination resulting from improper waste disposal practices. • Adverse effects on the health of employees, workers, and surrounding communities.
2	Water Management	Risk	Paint manufacturing involves a substantial consumption of water, making its prudent use and disposal paramount. It is essential to manage wastewater disposal in strict compliance with environmental regulations to ensure proper treatment and sustainability.	• Perform regular water audits to track and optimize water usage, identifying areas of inefficiency. • Install systems for the treatment and recycling of wastewater. • Upgrade equipment and refine processes to reduce water consumption and minimize wastage. • Deploy robust wastewater treatment systems that meet regulatory standards prior to discharge, thereby preventing the pollution of water bodies.	**Negative Implications:** • Incurring fines or penalties for failing to comply with wastewater treatment and disposal regulations. • Public health risks associated with contaminated water, potentially leading to the spread of waterborne diseases.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3	Health & Safety	Risk & Opportunity	**Risk:** The nature of paint manufacturing involves handling hazardous chemicals, substances, and machinery, which can pose significant health risks, bodily injuries, and complications if not properly managed. **Opportunity:** By adopting proactive health and safety measures, the company can diminish accident-related costs and mitigate potential legal liabilities. Moreover, prioritizing health and safety can spur innovation in manufacturing processes, resulting in enhanced operational efficiency.	• Conducting thorough risk assessments to identify potential health and safety hazards associated with the manufacturing process, as well as the storage and handling of raw materials. • Instituted mandatory safety training for all workers, contractors, and visitors. This training ensures that everyone is aware of potential risks and adheres to safe working practices to maintain a secure environment.	**Positive Implications:** • Reduction in work-related injuries and incidents. • Enhanced productivity due to a safe and healthy workplace. • Strengthened brand image and reputation through commitment to safety. **Negative Implications:** • Non-compliance with health and safety regulations may result in fines, penalties, or legal expenses. • An increase in work-related accidents can disrupt operations, causing production delays and additional costs.
4	GHG Emissions	Risk	Greenhouse gas (GHG) emissions are a major factor in climate change and global warming. As a paint manufacturing company, substantial GHG emissions can further accelerate environmental changes. It is essential to adhere to stringent regulations and targets aimed at reducing GHG emissions, ensuring strict compliance with environmental standards.	• Perform detailed assessments to pinpoint and measure the sources and quantities of greenhouse gas (GHG) emissions. • Implement strategies to improve energy efficiency, thereby decreasing emissions.	**Negative implications:** • Non-compliance with emission standards can lead to fines/ penalties.
5	Human Rights	Opportunity	By prioritizing and upholding human rights, the company can bolster its reputation as a socially responsible and ethical entity. Compliance with human rights standards not only aids in meeting regulatory requirements but also helps prevent potential legal issues.	• Conduct comprehensive training for employees and workers on human rights issues to enhance awareness and understanding. • Implement a robust grievance redressal mechanism to efficiently address and resolve concerns or issues related to human rights. • Demonstrate an ongoing commitment to improvement through regular reviews and updates of human rights policies and strategies, ensuring alignment with best practices and regulatory standards.	**Positive Implications:** • Strengthening human rights practices can enhance the company's ethical image, improve employee morale, fortify relationships with customers and suppliers, and promote sustainable growth.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6	Code of Conduct	Opportunity	A well-defined code of conduct fosters ethical practices and responsible behavior, thereby enhancing the brand's image and ensuring compliance with applicable laws and regulations.	• Conduct regular reviews and updates of the code of conduct policy to ensure its relevance and effectiveness. • Implement training programs for all employees to promote ethical behavior and adherence to company standards. • Perform internal audits to identify and rectify any potential compliance issues, ensuring ongoing integrity and accountability.	**Positive Implications:** • Implementing good governance practices, including transparency, accountability, and strong ethical guidelines, can enhance investor confidence. • These practices offer long-term benefits, contributing to the company's sustained success and stability.
7	Chemical Safety and Management	Risk & Opportunity	**Risk:** The handling of chemicals within a paint manufacturing setting poses substantial safety risks for employees and potential environmental threats if not managed appropriately. **Opportunity:** By prioritizing chemical safety, the company is positioned to invest in research and development aimed at producing paints with reduced or eliminated harmful chemicals. Effective management of chemical safety not only mitigates accident and environmental impact risks but also supports long-term sustainability and profitability.	• Develop and implement robust safety protocols for the handling, storage, and disposal of chemicals. • Provide regular training and awareness sessions on safe practices and emergency procedures. • Perform comprehensive assessments of suppliers to ensure compliance with safety and environmental standards. • Establish proper waste management procedures for chemical by-products. • Pursue external certifications and adhere to industry standards concerning chemical safety and responsible management	**Negative Implications:** • Accidents, spills, or improper disposal of chemicals may lead to regulatory fines, legal liabilities, and significant financial repercussions. • Failure to comply with regulations can result in fines, penalties, and potential legal actions. **Positive Implications:** • Emphasizing chemical safety and responsible management bolsters the company's brand image as a socially responsible organization. This focus can foster increased customer loyalty, attract positive media attention, and garner support from stakeholders.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as brought out by the Ministry of Corporate Affairs advocates nine principles referred as P1- P9 are given below:

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Question	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. **Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs.**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. b. **Has the policy been approved by the Board? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
1. c. **Web Link of the Policies, if available**	SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com/investors-relations/codes-and-policies. Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
2. **Whether the entity has translated the policy into procedures. (Yes/No)**	Yes, the policies have been communicated to the relevant stakeholders. The Code of Conduct for the Directors and Senior Management Team, Policy on disclosure of material events or information along with other Policies are in full compliance with statutory requirements.								
3. **Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
4. **Name of the national and international codes/ certifications/labels/standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	ISO 9001:2015 Quality Management System ISO 140001:2015 Environmental Management System ISO 45001:2018 Occupational Health and Safety Management System ISO/IEC 17025:2017 Accredited Laboratory								
5. **Specific commitments, goals and targets set by the entity with defined timelines, if any.**	The entity is in the process of finalizing its ESG goals and targets, demonstrating a solid commitment to embedding sustainable practices within its operations. Although specific objectives aligned with the nine principles are currently being developed, the entity is dedicated to setting and advancing these benchmarks soon. This effort aims to ensure meaningful and transparent progress in fulfilling our environmental and social responsibilities.								
6. **Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	The entity is in the final stages of defining its specific ESG commitments and targets. Once these are established, we will provide clear updates and detailed explanations, along with strategic plans to enhance our performance.								
Governance, leadership and oversight									
7. **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements** Shalimar Paints maintains its unwavering commitment to sustainability, acknowledging its responsibility to both the planet and future generations. Guided by our 'People-First' philosophy, we embed sustainability into our fundamental business strategies to enhance efficiency and drive long-term value. Our primary aim is to mitigate environmental, social, and governance impacts while striving for a brighter future. We believe that inclusivity and collaboration with all stakeholders are vital for the successful implementation of sustainability initiatives. Unified by a common purpose, we empower our workforce to deliver superior outcomes, embodying the vision of 'Together for a Better Tomorrow.' In alignment with ESG principles, Shalimar Paints is dedicated to lowering its carbon footprint, amplifying its social impact, and upholding integrity and transparency across all operations. For us, sustainability is not merely an option but an essential pillar of our growth and success. We place significant emphasis on social impact, with a focus on enhancing the well-being of our employees and the communities we serve.									
8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).**	The Board/Managing Director & Chief Executive Officer (MD & CEO) is responsible for the implementation and oversight of the Business Responsibility Policy(ies). Name - Mr. Kuldip Raina Designation - Managing Director & Chief Executive Officer (MD & CEO) Email ID - kuldip.raina@shalimarpaints.com								
9. **Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues?**	Yes, the company's risk management committee adheres to a comprehensive risk management policy. This policy utilizes a structured methodology to identify both internal and external risks related to sustainability, with particular emphasis on risks associated with environmental, social, and governance (ESG) factors.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance againstabove policies and follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Yes, the company routinely reviews its policies on an as-needed basis. During this assessment process, the effectiveness of each policy is evaluated, and any necessary modifications to policies and procedures are implemented to ensure continued efficacy.								
Compliance with statutory requirements of relevance to the principles, and, rectification of anynon-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y									

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
11. **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	The company conducts regular internal evaluations of its policy effectiveness. An independent assessment of the processes and compliance measures is scheduled for the upcoming financial year to ensure robust governance and adherence to standards.								

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	N.A.						No	N.A.	
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)							No		
The entity does not have the financial or/human and technical resources available for the task (Yes/No)							No		
It is planned to be done in the next financial year (Yes/No)							Yes		
Any other reason (please specify)							-		

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year

Segment	Total training programmes held	Topics / principles covered and its impact	% of persons covered
Board of Directors	2	Recent amendments in PIT Regulations and Introduction to NFRA Compliances	100 %
Key Managerial Personnel	1	POSH Awareness and recent amendments, New Labour Law Code	100 %
Employees other than BoD and KMPs	37	Product Knowledge, POSH, Industrial Manufacturing Process, Labour Law	100 %
Workers	5	Importance PPE's, Types of Hazards, Unsafe Act & conditions precautionary actions, Fire hydrant pump Operation and fire fighting techniques.	5.22 %

2. **Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings, in the financial year:**

Monetary

	NGRBC Principle	Regulatory/ enforcement	Amount (INR)	Brief of Case	Appeal preferred?
Penalty/Fine	NIL	NA	0	NA	No
Settlement	NIL	NA	0	NA	No
Compounding fee	NIL	NA	0	NA	No

Non-Monetary

	NGRBC Principle	Regulatory/ enforcement	Brief of Case	Appeal preferred?
Imprisonment	NIL	NA	NA	No
Punishment	NIL	NA	NA	No

3. **Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred:**

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NA	NA

4. **Does the entity have an anti-corruption or anti-bribery policy?**

Yes. Shalimar Paints incorporates its Anti-Corruption and Anti-Bribery (ABAC) policy within the comprehensive Code of Conduct, available on the Company's intranet. This policy establishes a formal channel for employees to report any unethical conduct, suspected fraud, or breaches of the Company's ethical standards. This initiative underscores the Company's dedication to maintaining the highest levels of integrity and transparency, fostering a fair and ethical workplace. Employees are encouraged to actively engage with this policy to uphold our core values.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

	2025-26	2024-25
Directors	NIL	NIL
KMPs		
Employees		
Workers		

6. **Details of complaints with regard to conflict of interest:**

	2025-26		2024-25	
	Number	Remarks	Number	Remarks
Complaints received in relation to issues of Conflict of Interest of the Directors	NIL		NIL	
Complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators, on cases of corruption and conflicts of interest**

During the reporting period, no fines, penalties, or actions were imposed by any regulator, law enforcement agency, or judicial institution in relation to cases of corruption or conflicts of interest. Accordingly, no corrective actions were required or are currently underway. The Company is committed to maintain high standards of governance, ethical conduct, and regulatory compliance.

8. **Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured):**

	2025-26	2024-25
Number of days of accounts payables	167	130

9. **Openness of business - concentration of purchases and sales with trading houses, dealers, and related parties:**

Parameter	Metrics	2025-26	2024-25
Concentration of Purchases	Purchases from trading houses as % of total purchases	34.96 %	33.64 %
	Number of trading houses where purchases are made from	140	117
	Purchases from top 10 trading houses as % of total purchases from trading houses	53.36 %	58.79 %
Concentration of Sales	Sales to dealers / distributors as % of total sales	66 %	57.06 %
	Number of dealers / distributors to whom sales are made	7047	6670
	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	7.2 %	7.84 %
Share of RPTs in	Purchases with related parties / Total Purchases	0.32 %	1.69 %
	Sales to related parties / Total Sales	1.26 %	0.75 %
	Loans & advances given to related parties / Total loans & advances	100 %	-
	Investments in related parties / Total Investments made	100 %	99.97 %

PRINCIPLE 2:

Businesses should provide goods and services in a manner that is sustainable and safe

1. **Percentage of R&D and capex investments in specific technologies to improve environmental/social impacts:**

	2025-26	2024-25	Details of improvements in environmental and social impacts
Sustainable R&D %age	11.11 %	1.12 %	The company strengthened its sustainable portfolio by developing and commercializing over 16 high solids and direct-to-metal coatings designed to reduce solvent use and improve application efficiency, and by introducing two waterborne products.
Sustainable Capex %	0.02 %	2.43 %	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Shalimar Paints recognizes the strategic importance of sustainable sourcing in fostering responsible and resilient supply chains. While formal procedures for sustainable sourcing are yet to be established, the Company is committed to advancing this priority by exploring frameworks and best practices that align with our sustainability goals. We view this as a key area for future development and are actively working toward integrating sustainable sourcing principles into our procurement processes.

2. b. **If yes, what percentage of inputs were sourced sustainably?**

Not Applicable. Since the Company is still in the process of building specific procedures for sustainable sourcing, we are currently unable to determine or report the percentage of inputs that were sourced sustainably.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life**

Shalimar Paints remains committed to environmental stewardship through responsible waste management and innovation in sustainable products. Plastic waste is systematically sent to certified recycling facilities, while electronic waste (E-waste) is disposed of through authorized recyclers to ensure safe and compliant handling. The Company also adheres strictly to hazardous waste disposal regulations, holding valid authorizations from respective State Pollution Control Boards (SPCBs) and engaging approved vendors for disposal.

In addition, our in-house R&D facility is actively engaged in developing environmentally friendly technologies. Key initiatives include the formulation of high-volume solid products, water-based eco-friendly paints, and direct-to-metal coatings that reduce the need for multiple application layers. Furthermore, recyclable materials such as cardboard cartons and bags are regularly sent to recycling units, reinforcing our holistic approach to waste reduction and sustainability.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Shalimar Paints acknowledges its responsibility under the Extended Producer Responsibility (EPR) framework for plastic packaging. In alignment with CPCB guidelines, the Company has implemented a structured waste collection and management plan to ensure compliance.

Key components of this plan include:

- **Establishment of collection infrastructure** to facilitate efficient recovery and recycling of plastic waste.
- **Awareness initiatives** aimed at educating stakeholders on responsible disposal practices.
- **Partnerships with authorized waste management agencies** to ensure environmentally sound processing.
- **Regular reporting and compliance** submissions through the CPCB's centralized EPR portal.

These measures reflect our commitment to sustainable operations and regulatory compliance in line with national environmental standards.

PRINCIPLE 3:

Businesses should respect and promote the well-being of all employees, including those in their value chains

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	Health No.	Health %	Accident No.	Accident %	Maternity No.	Maternity %	Paternity No.	Paternity %	Day Care No.	Day Care %
Permanent employees											
Male	533	533	100%	533	100%	0	0%	533	100%	533	100%
Female	23	23	100%	23	100%	23	100%	0	0%	23	100%
Total	556	556	100%	556	100%	23	4.14%	533	95.87%	556	100%
Other than Permanent employees											
Male	22	22	100%	22	100%	0	0%	22	100%	22	100%
Female	3	3	100%	3	100%	3	100%	0	0%	3	100%
Total	25	25	100%	25	100%	3	12%	22	88%	25	100%

1. b. **Details of measures for the well-being of workers:**

Category	Total (A)	Health No.	Health %	Accident No.	Accident %	Maternity No.	Maternity %	Paternity No.	Paternity %	Day Care No.	Day Care %
Permanent workers											
Male	43	43	100%	43	100%	0	0%	43	100%	43	100%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	43	43	100%	43	100%	0	0%	43	100%	43	100%
Other than Permanent workers											
Male	429	429	100%	429	100%	0	0%	0	0%	429	100%
Female	7	7	100%	7	100%	7	100%	0	0%	7	100%
Total	436	436	100%	436	100%	7	1.61%	0	0%	436	100%

1. c. **Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:**

	2025-26	2024-25
Cost incurred on well- being measures as a % of total revenue of the company	0.17 %	0.25 %

2. Details of retirement benefits, for Current FY and Previous Financial Year:

Category	2025-26: Employees %	2025-26: Workers %	2025-26: Deducted/ deposited	2024-25: Employees %	2024-25: Workers %	2024-25: Deducted/ deposited
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	95.7%	100%	Yes	99.76%	100%	N.A.
ESI	0.86%	100%	Yes	0.25%	100%	Yes

3. Accessibility of workplaces - Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Yes, the premises of Shalimar Paints are fully accessible to differently abled employees and workers, in compliance with the Rights of Persons with Disabilities Act, 2016. The company actively fosters an inclusive work environment that supports all employees. To achieve this, we have implemented all necessary measures to enhance accessibility, including the installation of ramps and strategic signage throughout our facilities. This commitment underscores Shalimar Paints' dedication to creating a supportive and inclusive workplace for everyone.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

Yes, our company proudly serves as an "equal opportunity employer" and is committed to upholding a comprehensive policy of equal opportunities in alignment with the Rights of Persons with Disabilities Act, 2016. This policy is an integral part of our Code of Conduct and can be accessed through the company's intranet, ensuring transparency and accessibility for all employees.

5. Return to work and Retention rates of permanent employees and workers that took parental leave:

	Employees: Return to work	Employees: Retention	Workers: Return to work	Workers: Retention
Male	100%	100%	Not applicable	Not applicable
Female	100%	100%	No Female worker	No Female worker
Total	100%	100%	NIL	

6. Is there a mechanism available to receive and redress grievances for employees and workers? If yes, give details:

Category	If Yes, then give details of the mechanism in brief
Permanent Workers	The company has instituted a comprehensive grievance redressal system designed to address concerns from all categories of employees and workers. A dedicated email channel, hrd@shalimarpaints.com, is available for raising any issues or complaints, providing direct communication with top management and the Head Human Resources for swift resolution. Furthermore, a specialized committee is established to manage issues related to the Prevention of Sexual Harassment (POSH), ensuring a respectful and secure workplace. This system underscores our dedication to fostering an open, inclusive, and supportive work environment.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	2025-26: Total (A)	2025-26: In union (B)	2025-26: %(B/A)	2024-25: Total (C)	2024-25: In union (D)	2024-25: %(D/C)
Total Permanent Employees	556	0	0%	577	0	0%
Male	533	0	0%	556	0	0%
Female	23	0	0%	21	0	0%
Total Permanent Workers	43	0	0%	56	0	0%
Male	43	0	0%	56	0	0%
Female	0	0	0%	0	0	0%

8. **Details of training given to employees and workers:**

Category	2025-26: Total (A)	2025-26: H&S No.	2025-26: H&S %	2025-26: Skill No.	2025-26: Skill %	2024-25: Total (D)	2024-25: H&S No.	2024-25: H&S %	2024-25: Skill No.	2024-25: Skill %
Employees										
Male	555	555	100%	500	90.1%	588	588	100%	475	80.79%
Female	26	26	100%	22	84.62%	27	21	77.78%	13	48.15%
Total	581	581	100%	522	89.85%	615	609	99.03%	488	79.35%
Workers										
Male	472	472	100%	430	91.11%	605	605	100%	605	100%
Female	7	7	100%	7	100%	6	6	100%	6	100%
Total	479	479	100%	437	91.24%	611	611	100%	611	100%

9. **Details of performance and career development reviews of employees and worker:**

Category	2025-26: Total (A)	2025-26: No.(B)	2025-26: %(B/A)	2024-25: Total (C)	2024-25: No.(D)	2024-25: %(D/C)
Employees						
Male	555	555	100%	588	588	100%
Female	26	26	100%	27	27	100%
Total	581	581	100%	615	615	100%
Workers						
Male	472	43	9.12%	605	56	9.26%
Female	7	0	0%	6	0	0%
Total	479	43	8.98%	611	56	9.17%

10. **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes, the organization has successfully implemented a comprehensive Health and Safety Management System to ensure a secure and healthy working environment for its employees. The key components include:

I. **EHS Policy**
- Establishment of a robust and well-defined Environment, Health, and Safety (EHS) policy.
- Commitment to maintaining high standards of safety and environmental responsibility.

II. **Hazard Identification and Risk Assessment**
- Regular identification of workplace hazards.
- Risk assessment procedures to prevent accidents and health issues.

III. **Legal and Regulatory Compliance**
- Ongoing compliance with relevant occupational health and safety laws and regulations.

IV. **Training and Awareness**
- Continuous training programs for employees.
- Raising awareness about health and safety protocols to ensure adherence to safe practices.

V. **Incident Reporting and Investigation**
- Structured processes for reporting, investigating, and analyzing incidents.
- Focus on preventing the recurrence of incidents.

VI. **Safety Work Permit System**
- Management of potentially hazardous work activities through a permit system.
- Covers general work, hot work, confined space work, and solvent unloading.
- Risk assessments conducted to ensure safety measures are in place before work begins.

VII. VOC Monitoring

- Deployment of an advanced Volatile Organic Compounds (VOC) monitoring system.
- Continuous monitoring for harmful airborne substances.
- Prompt detection and response to any alarming levels.

VIII. Annual EHS Audit

- Execution of an annual Environmental, Health, and Safety (EHS) audit.
- Ensures compliance with safety protocols and environmental regulations.
- Identification of opportunities for continuous improvement.

IX. Spillage Control

- Proactive measures to capture and minimize spillage incidents.
- Monitoring and timely response to mitigate negative impacts on employees and the environment.
- Promotion of responsible resource management.

This comprehensive approach demonstrates the organization's commitment to maintaining the highest standards of health and safety for both its employees and the environment, reflecting a dedication to continuous improvement and excellence in occupational safety practices.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

At Shalimar, we identify work-related hazards and assess risks by conducting a Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA), the entity prioritizes workplace safety by employing a dynamic and multi-faceted approach to identifying work-related hazards and assessing risks, both routinely and non-routinely.

Routine Hazard Management:

- Scheduled Inspections: Safety officers conduct regular inspections, proactively identifying potential hazards to maintain a secure work environment.
- Proactive Hazard Identification: Utilizing an Abnormality Register and the Unsafe Condition & Unsafe Act Identification Register, supported by G-Forms, enhances our hazard detection and mitigation efforts.
- Task Analysis: Job Safety Analysis (JSA) is utilized to systematically evaluate tasks, uncover risks, and establish safe work procedures.
- Employee Feedback Channels: Robust systems—comprising forms, digital platforms, and direct communication—facilitate employee reporting of hazards.
- Collaborative Safety Meetings: Regular meetings with a multidisciplinary Safety Committee ensure thorough review and discussion of hazard reports and assessments.
- Maintenance Protocols: Ongoing maintenance of equipment and inspection of safety devices and personal protective equipment (PPE) guarantee operational safety.
- Work Permit and Safety Checklists: Our work permit system, enhanced with detailed safety checklists, fortifies our standard hazard identification processes.

Non-Routine Risk Strategies:

- Pre-Task Safety Evaluation: Before commencing non-routine tasks, detailed planning and risk evaluations are conducted to identify and mitigate specific hazards.
- Innovative Process Assessments: When introducing new technologies or methodologies, comprehensive risk assessments are performed, ensuring potential hazards are anticipated and controlled.
- Incident and Near-Miss Analysis: Investigations into incidents and near-miss events provide critical insights into root causes, guiding preventative measures.
- Adaptive Change Management: Structured procedures are in place to assess the risks associated with organizational or operational changes.
- Emergency Preparedness: Regular emergency drills and simulations help us uncover potential hazards and enhance our emergency response plans.
- Expert Consultations: Engaging external safety experts for specialized assessments addresses complex risks with precision.

Together, these elements form a cohesive system of continuous risk evaluation and mitigation, underpinning our commitment to a safe and healthy workplace.

c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Yes, the Company utilizes a structured process called the "Abnormality Register" to document and record any instances of abnormalities within its operations. This formal mechanism facilitates the prompt reporting and documentation of deviations from the norm or unexpected occurrences. By implementing the Abnormality Register, the entity ensures that all irregularities are effectively logged, enabling thorough analysis, appropriate remedial actions, and continuous improvement of overall operations.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides a comprehensive Mediclaim Policy to all its dedicated employees and workers, ensuring essential health coverage and protection. This initiative reflects the company's steadfast commitment to the well-being and welfare of its hardworking workforce, acknowledging the importance of safeguarding against unexpected medical expenses. By offering this vital benefit, the entity cultivates a supportive and caring work environment while empowering team members to concentrate fully on their professional responsibilities, confident that their health needs are adequately addressed.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	2025-26	2024-25
Lost Time Injury Frequency Rate (LTIFR)	Employees	6.24	-
	Workers	14.36	-
Total recordable work-related injuries	Employees	1	1
	Workers	19	9
Number of fatalities from work-related injuries	Employees	-	-
	Workers	-	-
Number of high-consequence work-related injuries	Employees	-	-
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The company is committed to ensuring a safe and healthy workplace by implementing a range of comprehensive safety measures. These initiatives underscore our dedication to employee well-being and include:

- **Extensive Safety Training**: We conduct regular training sessions aimed at equipping all employees with the necessary knowledge and skills to effectively manage potential hazards in the workplace.
- **Personal Protective Equipment (PPE)**: Each employee is provided with a complete PPE kit, which includes safety shoes, hand gloves, masks, goggles, head caps, and gum boots, to ensure they are protected from job-specific risks.
- **Rigorous Safety Work Permit System**: A stringent permit system is enforced to meticulously regulate and oversee potentially hazardous tasks, ensuring these activities comply with maximum safety protocols and guidelines.
- **Safety Audits**: Regular safety audits are conducted to assess current practices and ensure continuous improvement in workplace safety standards.
- **Onsite Emergency Plan**: A comprehensive emergency plan is in place to address and manage any unforeseen incidents efficiently and effectively.
- **Identification and Remediation of Unsafe Conditions and Acts**: We actively identify and implement countermeasures to address any unsafe conditions and actions within the workplace.

These measures reflect our unwavering commitment to creating and maintaining a secure and supportive environment for all our employees, fostering a culture of safety and responsibility.

13. Number of Complaints on the following made by employees and workers:

Category	2025-26: Filed	2025-26: Pending	2025-26: Remarks	2024-25: Filed	2024-25: Pending	2024-25: Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

14. Assessments for the year

	% of your plants and offices that were assessed
Health and safety practices	100%
Working Conditions	100%

15. Provide details of any corrective action taken or underway to address safety-related incidents:

The Company maintained a strong safety record during the reporting period, with no significant incidents reported. This achievement is attributed to its proactive approach to workplace safety and continuous improvement in health and safety practices. Key measures undertaken include:

- **Installation of Fire Safety Systems**: Foam sprinkler systems and automated fire detection units have been deployed to mitigate fire-related risks.
- **Safety Awareness Training**: Regular training programs are conducted to ensure employees are equipped to respond effectively in emergency situations.
- **Mock Drills**: Periodic mock drills are organized to reinforce emergency protocols and improve response readiness.
- **Work Permit System**: A robust work permit system ensures that operational tasks are executed in compliance with safety standards.
- **Hazardous Material Management**: Hazardous substances have been safely removed from the boiler room, significantly reducing potential risks.
- **Dust Control Initiative**: Plans are underway to install a dust suction system on the process floor to manage dust generated by extenders, further enhancing workplace safety.

PRINCIPLE 4:

Businesses should respect the interests of and be responsive to all its stakeholders

1. Describe the processes for identifying key stakeholder groups of the entity.

To cultivate long-term value for our stakeholders, we recognize that engaging with them is of utmost importance. This engagement helps us understand their needs, collaborate to mitigate risks, uphold social legitimacy, enhance credibility, and build trust. At Shalimar Paints, we have identified key stakeholders as those who can influence or be affected by our operations, activities, technological changes, regulations, and market and societal trends, whether directly or indirectly. Our stakeholder groups include communities, employees, supply chain partners, customers, investors, regulators, and civil society organizations. We are dedicated to engaging with our stakeholders in an open and genuine manner to foster cooperation and mutual support, ensuring sustainable relationships.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder group	Vulnerable/ Marginalized?	Channels of communication	Frequency of engagement	Purpose and scope of engagement
Employees and Workers	No	• E-mail • Intranet portal • Newsletters • Employee engagement activities and Surveys • Rewards and Recognitions	Continuous	Employees are essential assets, crucial to the Company's long-term success and key to maintaining competitiveness and market leadership.
Shareholders and Investors	No	• Annual General Meeting • Investor Calls & Analyst Meets • Investor Relations Web Page • Quarterly condensed financial statements • Annual Report • Investor conference calls • Press Releases	Quarterly, Half Yearly, Annually, event based & as and when required	Engagement focuses on enhancing corporate governance through timely financial announcements and comprehensive Annual Reports. We also ensure that physical shareholders are informed about the Dispute Resolution Mechanism, addressing their concerns effectively.
Customers	No	• Engagement through website, social media, in-store promotions • Brand campaigns conducted regularly, during festive seasons and sales promotions	Continuous	The company focuses on end consumers, whose satisfaction and delight are crucial to our success strategy. We prioritize understanding and addressing their needs to foster strong relationships and ensure ongoing business growth.

Stakeholder group	Vulnerable/ Marginalized?	Channels of communication	Frequency of engagement	Purpose and scope of engagement
Vendors	Yes	• E-mail • Phone calls • In-person meetings	As and when needed	Fulfilment of services asked as per contract.
Supply Chain Partners	No	• One-to-one meetings • Regular operational reviews	Continuous	The company emphasizes collaboration to ensure seamless business operations. We focus on maintaining effective and efficient procurement practices to strengthen relationships and optimize performance.
Communities	Yes	• CSR Initiatives • Volunteering initiatives	Continuous	Our engagement with communities underscores responsible corporate citizenship. We collaborate with communities to develop CSR projects that align with their specific needs, fostering positive social impact and mutual growth.
Government and Regulatory Authorities	No	• Disclosures and filings for compliance reporting • Meeting authorities for permissions/ approvals	Audits conducted periodically/monthly/ quarterly/annually and on need basis	The company prioritizes compliance, timely tax payments, and policy advocacy, and aim to ensure adherence to regulations.

PRINCIPLE 5:

Businesses should respect and promote human rights

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity:

Category	2025-26: Total (A)	2025-26: Covered (B)	2025-26: %(B/A)	2024-25: Total (C)	2024-25: Covered (D)	2024-25: %(D/C)
Employees						
Permanent Employees	556	556	100%	577	577	100%
Other than permanent	25	25	100%	38	38	100%
Total Employees	581	581	100%	615	615	100%
Workers						
Permanent Workers	43	43	100%	56	56	100%
Other than permanent	436	436	100%	555	555	100%
Total Workers	479	479	100%	611	611	100%

2. Details of minimum wages paid to employees and workers:

Category	2025-26: Total (A)	2025-26: Equal No.(B)	2025-26: Equal %(B/A)	2025-26: More No.(C)	2025-26: More %(C/A)	2024-25: Total (D)	2024-25: Equal No.(E)	2024-25: Equal %(E/D)	2024-25: More No.(F)	2024-25: More %(F/D)
Employees										
Permanent Employees	556	0	0%	556	100%	577	0	0%	577	100%
Male	533	0	0%	533	100%	556	0	0%	556	100%
Female	23	0	0%	23	100%	21	0	0%	21	100%
Other than Permanent Employees	25	0	0%	25	100%	38	0	0%	38	100%
Male	22	0	0%	22	100%	32	0	0%	32	100%
Female	3	0	0%	3	100%	6	0	0%	6	100%

Category	2025-26: Total (A)	2025-26: Equal No.(B)	2025-26: Equal %(B/A)	2025-26: More No.(C)	2025-26: More %(C/A)	2024-25: Total (D)	2024-25: Equal No.(E)	2024-25: Equal %(E/D)	2024-25: More No.(F)	2024-25: More %(F/D)
Workers										
Permanent Workers	43	0	0%	43	100%	56	0	0%	56	100%
Male	43	0	0%	43	100%	56	0	0%	56	100%
Female	0	0	0%	0	0%	0	0	0%	0%	
Other than Permanent Workers	436	0	0%	436	100%	555	0	0%	555	100%
Male	429	0	0%	429	100%	549	0	0%	549	100%
Female	7	0	0%	7	100%	6	0	0%	6	100%

3. Details of remuneration/salary/wages

a. Median remuneration/wages:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	2	24237878 INR	0	0 INR
Key Managerial Personnel	1	9121068 INR	1	1912488 INR
Employees other than BoD and KMP	552	567184610 INR	25	18658670 INR
Workers	472	153258927 INR	7	2272908 INR

b. Gross wages paid to females as % of total wages paid by the entity:

	2025-26	2024-25
Gross wages paid to females as % of total wages	3.38 %	3.78 %

4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business?

Yes, the company has designated its HR team as the focal point responsible for addressing any human rights impacts or issues that may arise from our business activities. The Corporate HR department is tasked with managing these concerns within specified timeframes, ensuring that all human rights matters are resolved promptly and effectively. This initiative underscores our commitment to maintaining high human rights standards and fostering a respectful and compliant workplace environment.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Yes, the organization has instituted a comprehensive grievance redressal system specifically designed to address human rights related issues. Employees are encouraged to report any concerns to their direct supervisor or a member of the human resources team, ensuring that these grievances are managed promptly and fairly. This system is integral in promoting transparency and fostering an open and supportive work environment. Our dedication to effective grievance resolution reflects the organization's unwavering commitment to sustaining a positive and inclusive workplace for all.

6. Number of Complaints on the following made by employees and workers in the previous financial year

<table>
<tr><th rowspan="2">Category</th><th colspan="3">2025-26</th><th colspan="3">2024-25</th></tr>
<tr><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th><th>Filed during the year</th><th>Pending resolution at the end of year</th><th>Remarks</th></tr>
<tr><td>Sexual Harassment</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">N.A.</td><td rowspan="6">0</td><td rowspan="6">0</td><td rowspan="6">N.A.</td></tr>
<tr><td>Discrimination at workplace</td></tr>
<tr><td>Child Labour</td></tr>
<tr><td>Forced Labour/ Involuntary Labour</td></tr>
<tr><td>Wages</td></tr>
<tr><td>Other human rights related issues</td></tr>
</table>

7. **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

	2025-26	2024-25
Total Complaints reported under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	NIL	NIL
Complaints on POSH as a % of female employees/workers		
Complaints on POSH upheld		

8. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The Internal Committee for Prevention of Sexual Harassment, equipped with well-defined Standard Operating Procedures (SOPs), employs robust mechanisms to proactively avert any negative repercussions that may arise for the complainant in cases involving both discrimination and harassment. Through their diligent approach, the committee ensures that the process is carried out with utmost sensitivity and care, prioritizing the protection and well-being of the individual who has lodged the complaint. By adhering to the prescribed SOPs, the committee effectively establishes a safe and confidential environment, fostering an atmosphere where the complainant feels secure and supported throughout the proceedings.

9. **Do human rights requirements form part of your business agreements and contracts?**

   Yes, the Company firmly believes in upholding and promoting human rights principles across all aspects of our operations and partnership. To ensure compliance with these principles, the company includes this in the Code of Conduct policy, which mandates the agreements and contracts that addresses human rights issues.

10. **Assessments conducted**

	% of your plants and offices that were assessed
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

11. **Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above**

    Shalimar Paints affirms that no instances of significant risks or concerns have been identified. As a result, no corrective actions have been necessary. This outcome reflects the Company's robust governance framework and its proactive approach to risk management, underscoring our commitment to maintaining a compliant and resilient operational environment.

PRINCIPLE 6:

Businesses should respect and make efforts to protect and restore the environment

1. **Details of total energy consumption (in Kilo Joules) and energy intensity, in the following format:**

Parameter	2025-26	2024-25
From renewable sources		
Total electricity consumption (A)	208,05,69,600	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	**208,05,69,600**	**-**
From non-renewable sources		
Total electricity consumption (D)	911,95,53,876	1008,66,90,000
Total fuel consumption (E)	694,07,39,683	196,08,30,000
Energy consumption through other sources (F)		12,78,40,000
Total energy consumed from non-renewable sources (D+E+F)	**1606,02,93,559**	**1217,53,60,000**
Total energy consumed (A+B+C+D+E+F)	**1814,08,63,159**	**1217,53,60,000**
Energy intensity per rupee of turnover	**3,20,416**	**2,00,000**
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	**65,18,224**	**42,10,000**
Energy intensity in terms of physical output	**3,28,204**	**2,40,000**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency - No

2. **Does the entity have any sites/facilities identified as designated consumers (DCs) under the PAT Scheme of the Government of India?**

   Not Applicable

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	2025-26	2024-25
Water withdrawal by source (in kilolitres)		
(i) Surface water withdrawal	-	-
(ii) Groundwater withdrawal	22,016	66,591
(iii) Third party water withdrawal	3,724	-
(iv) Seawater / desalinated water withdrawal	-	-
(v) Other withdrawal	-	-
Total volume of water withdrawal (i+ii+iii+iv+v)	**25,741**	**66,591**
Total volume of water consumption	**25,065**	**66,591**
Water intensity per rupee of turnover	**0.44**	**1.11**
Water intensity per rupee of turnover adjusted for PPP	**9.01**	**23.03**
Water intensity in terms of physical output	**0.45**	**1.33**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency - No

4. **Provide the following details related to water discharged (in kilolitres):**

Parameter	2025-26	2024-25
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment	-	-
(ii) To Groundwater	-	937
- No treatment	-	-
- With treatment	-	937
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment	-	-
(v) Others	675.56	1,290
- No treatment	-	-
- With treatment (Chennai Plant: sewage water treated via aeration, discharged for gardening; ETP water treated via chemical separation and sent to solar pond for evaporation)	675.56	1,290
Total water discharged	**675.56**	**2,227**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency - No

5. **Has the entity implemented a mechanism for Zero Liquid Discharge?**

Yes, the organization has successfully implemented a Zero Liquid Discharge strategy, featuring wastewater treatment facilities across various locations. In Chennai, an Effluent Treatment Plant (ETP) with a capacity of 1 KLD and a Sewage Treatment Plant (STP) with a capacity of 4 KLD have been established. Similarly, in Nashik, both an ETP and STP with capacities of 15 KLD have been installed, and at SKBD, an ETP with a 9 KLD capacity has been set up. These facilities collectively support the organization's commitment to Zero Liquid Discharge.

6. **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify FY unit	2025-26	2024-25
NOx	Mg/Nm3	101.08	74.87
SOx	Mg/Nm3	17.81	16.90
Particulate matter (PM)	Mg/Nm3	24.09	16.48
Persistent organic pollutants (POP)	Mg/Nm3	-	-
Volatile organic compounds (VOC)	Mg/Nm3	1.50	1.15
Hazardous air pollutants (HAP)	Mg/Nm3	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency - No

7. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	2025-26	2024-25
Total Scope 1 emissions	T CO2e	469.69	460.86
Total Scope 2 emissions	T CO2e	1,106.89	2,036.95
Total Scope 1&2 emission intensity per rupee of turnover	**T CO2e / L INR**	**0.02**	**0.04**
Total Scope 1&2 emission intensity per rupee of turnover adjusted for PPP	**T CO2e Int. US$ / L INR**	**0.57**	**0.86**
Total Scope 1&2 emission intensity in terms of physical output	**T CO2e / KL Units**	**0.03**	**0.50**

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency - No

8. **Does the entity have any project related to reducing Green House Gas emission?**

   The Company currently does not have active projects specifically aimed at reducing greenhouse gas (GHG) emissions. However, a key component of our strategic roadmap is a strong commitment to addressing environmental sustainability, including plans to develop and implement GHG reduction initiatives. As we move forward, these initiatives will play a significant role in our project planning and execution, underscoring our dedication to proactive climate action and contributing to a sustainable future.

9. **Provide details related to waste management by the entity, in the following format:**

Parameter	2025-26	2024-25
Total Waste generated (in metric tonnes)		
Plastic waste (A)	29.45	17.05
E-waste (B)	-	0.3
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous Waste (G)	54.97	6.3
Other Non-hazardous Waste (H)	95.80	3.57
Total (A+B+C+D+E+F+G+H)	**180.22**	**27.22**
Waste intensity per rupee of turnover	**0.0031**	**0.0005**
Waste intensity per rupee of turnover adjusted for PPP	**0.06**	**0.01**
Waste intensity in terms of physical output	**0.0032**	**0.0005**

Parameter	2025-26	2024-25
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	4.88	64.51
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	**4.88**	**64.51**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	50.55	6.55
(ii) Landfilling	-	2.3
(iii) Other disposal operations	124.78	-
Total	**175.33**	**8.85**

The Company follows a 'Buyback policy' for all the Battery waste generated across all plants. The discarded containers and koni bags are reused at the plant site. And the expired paints are also reprocessed for further usage.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency - No

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The Company is committed to exemplary waste management practices and has implemented a robust strategy to address both hazardous and non-hazardous waste streams. Waste generated across all manufacturing units, offices, and operational facilities is systematically collected, segregated, packed, and stored at designated waste collection points before being transferred to centralized waste storage areas within the respective locations. Waste is classified into hazardous and non-hazardous categories in accordance with applicable environmental laws and regulatory requirements.

Non-hazardous waste is stored in designated storage areas with appropriate segregation to facilitate recycling, recovery, and responsible disposal. Based on the quantity generated at each location, the waste is periodically handed over to authorized recyclers or disposal agencies.

Hazardous waste is stored separately in designated hazardous waste storage areas with appropriate labelling, containment, and safety measures to prevent environmental contamination and occupational risks. Such waste is transported and disposed of only through authorized hazardous waste management agencies in compliance with applicable regulatory requirements.

The organization is committed to minimizing the use of hazardous and toxic chemicals across its operations by adopting measures such as substituting hazardous substances with safer alternatives wherever technically and economically feasible, optimizing manufacturing and operational processes to reduce chemical consumption, implementing preventive maintenance programs to prevent leaks and spills, and providing regular employee training on safe handling, storage, and efficient use of chemicals. The organization also promotes waste minimization through process improvements, reuse, recycling, and resource recovery initiatives to reduce overall waste generation. All waste generated across the organization is managed through authorized vendors, and no direct disposal is undertaken at operational sites, ensuring compliance with applicable environmental regulations and responsible waste management practices.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If not, the reasons thereof and corrective action taken, if any.
Not Applicable, as the entity has no operations or offices in or around ecologically sensitive areas.			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name & brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency	Results communicated in public domain	Relevant weblink
NIL for the reporting year.					

13. Applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N).

Yes, the entity is fully compliant with all applicable environmental laws and regulations in India. This includes adherence to the Water (Prevention and Control of Pollution) Act, the Air (Prevention and Control of Pollution) Act, and the Environment Protection Act, along with the associated rules. The entity holds the necessary Consent to Operate (CTO) for air and water quality monitoring and has obtained all required permits and authorizations for the proper handling and disposal of hazardous waste. Through these measures, the entity ensures strict compliance with regulatory standards and demonstrates a strong commitment to environmental stewardship.

PRINCIPLE 7:

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

1. a. **Number of affiliations with trade and industry chambers/associations.**

NIL

1. b. **List the top 10 trade and industry chambers/associations the entity is a member of/affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach (State/National)
Not Applicable		

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of authority	Brief of the case	Corrective action taken
There were no adverse orders from regulatory authorities hence, this question is not applicable.		

PRINCIPLE 8:

Businesses should promote inclusive growth and equitable development

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

S. No.	Name and brief details of project	SIA Notification No.	Date of notification	Conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant web link
NIL						

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of PAFs	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
NIL						

3. **Describe the mechanisms to receive and redress grievances of the community**

   The Company is dedicated to fostering positive relationships with the community through effective grievance redressal mechanisms. We are in the process of developing and implementing a structured system to receive and address community grievances. This initiative underscores our commitment to responsiveness and transparency, allowing us to engage more effectively with community concerns. By prioritizing open communication and proactive issue resolution, we aim to build stronger, more collaborative relationships with all stakeholders, ensuring their voices are heard and respected.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Category	2025-26	2024-25
% of materials sourced from MSMEs / small producers	50 %	31 %
% of materials sourced directly from India	99.68 %	69 %

5. **Job creation in smaller towns - wages paid as % of total wage cost:**

Location	2025-26	2024-25
Rural	31.63 %	32.78 %
Semi-urban	-	-
Urban	25.18 %	27.18 %
Metropolitan	43.21 %	40.04 %

PRINCIPLE 9:

Businesses should engage with and provide value to their consumers in a responsible manner

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The Company has implemented a dedicated communication channel through the email address askus@shalimarpaints.com, specifically designed to manage and respond to consumer complaints and feedback. This platform serves as an official and efficient means for customers and stakeholders to submit their concerns, objections, or inquiries. The email address has been widely disseminated to ensure accessibility and encourage constructive engagement. Through this formal mechanism, the Company reaffirms its commitment to promptly addressing consumer issues, enhancing customer satisfaction, and building lasting trust.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	65%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following:**

<table>
<tr><th rowspan="2"></th><th colspan="3">2025-26</th><th colspan="3">2024-25</th></tr>
<tr><th>Received during the year</th><th>Pending resolution</th><th>Received during the year</th><th>Received during the year</th><th>Pending resolution</th><th>Received during the year</th></tr>
<tr><td>Data privacy</td><td colspan="3" rowspan="7">NIL</td><td colspan="3" rowspan="6">NIL</td></tr>
<tr><td>Advertising</td></tr>
<tr><td>Cyber-security</td></tr>
<tr><td>Delivery of essential services</td></tr>
<tr><td>Restrictive Trade Practices</td></tr>
<tr><td>Unfair Trade Practices</td></tr>
<tr><td>Other</td><td>1</td><td>1</td><td>Order was passed against us before District Consumer Disputes Redressal Commission, Pathankot. Thereafter, we filed an appeal against the said Order before the State Consumer Disputes Redressal Commission, Chandigarh.</td></tr>
</table>

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. **Does the entity have a framework/policy on cyber security and risks related to data privacy?**

   Yes, the Company has established a comprehensive framework on cybersecurity and data privacy, embodied in our Data Protection Policy. This policy provides detailed guidelines for safeguarding sensitive and confidential information against cyber threats and risks. Employees are encouraged to handle sensitive information with care and to report any cybersecurity concerns promptly to our IT team. This initiative underscores the Company's dedication to transparent and secure engagement with stakeholders, while ensuring adherence to relevant data protection regulations. The policy is accessible to employees through the Company's intranet portal, providing continuous guidance on maintaining the integrity and security of data.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, delivery of essential services, cyber security and data privacy of customers, re-occurrence of instances of product recalls, penalty/action taken by regulatory authorities on safety of products/services.**

   NIL

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      NIL

   b. **Percentage of data breaches involving personally identifiable information of customers**

      NIL

   c. **Impact, if any, of the data breaches**

      Not Applicable

Independent Auditor's Report

To the Members of Shalimar Paints Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of **Shalimar Paints Limited** ('the Company'), which comprise the Standalone Balance Sheet as at **31 March 2026**, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flow and the Standalone Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matter		How our audit addressed the key audit matter
A.	**Revenue recognition from sale of goods** (Refer note 3.3 and 29 to the accompanying standalone financial statements) The Company's derives its revenue primarily from sale of paints and coatings, and from providing related services to its customers. In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, revenue from sale of goods is recognised by the Company when the performance obligation is satisfied, i.e., when the 'control' of the underlying goods is transferred to the customer as per the agreed contractual terms. Such revenue recognition from sale of goods requires management to make certain judgements and estimates around measurement of transaction price which involves determination of variable consideration on account of volume discounts and other rebate programs run by the Company. Further, the Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred, and thus, revenue recognition is identified as a presumed significant risk of fraud in accordance with the requirements of Standards on Auditing.	Our audit procedures relating to revenue recognition from sale of goods included, but were not limited to, the following: a) Assessed the appropriateness of revenue recognition accounting policies in accordance with Ind AS 115; b) Obtained an understanding of management's processes and controls over revenue recognition, including accrual of discounts and rebates; c) Evaluated the design and tested the operating effectiveness of key internal financial controls, relating to revenue recognition and accrual of discounts and rebates; d) Performed substantive testing of revenue transactions recorded during the year including specific period before and after year end, on a sample basis, by verifying the underlying supporting documents such as customer contracts, purchase orders, sales orders, sale invoices, and proof of delivery through dispatch/shipping documents to ensure that the correct amount of revenue is recorded in the correct period; e) Evaluated the appropriateness of underlying judgements and estimates used by management for determination of variable consideration;

Independent Auditor's Report

	Key audit matter	How our audit addressed the key audit matter
	Considering the above factors and materiality of amounts, considerable audit efforts were involved in assessing the appropriateness of revenue recorded during the year, and therefore, we have identified revenue recognition from sale of goods as a key audit matter for the current year audit.	f) Performed substantive testing on selected samples of discounts and rebates adjustments recorded during the year as well as year-end provisions recognised by the Company, by testing underlying computations, management approvals and relevant supporting documents in respect of such schemes; g) Performed analytical procedures, which included variance and ratio analysis of current year revenue and discounts/ rebates in comparison to earlier years to identify unusual trends, if any.. i) Circularised balance confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any; and j) Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in accordance with the applicable accounting standards.
B.	**Net realisable value assessment of inventory** (Refer note 3.5 and 11 to the accompanying standalone financial statements) The Company held inventories aggregating Rs. 102.14 crores as at 31 March 2026, comprising raw materials, work-in progress, stock-in-trade, finished goods, packaging materials and stores, spares and consumables, on which the Company has created an slow-moving/obsolescence provision of Rs. 4.58 crores as at year end. At each reporting period end, the management assesses whether there is any objective evidence indicating that the net realisable value of any item of inventory is below its carrying value, specifically identified basis physical condition of inventory items, and prevailing and expected market trends. If so, such inventory items are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories. The determination of provision for slow-moving, obsolete and non-saleable inventories involves significant judgements and estimation uncertainties, around assessment of physical condition of inventories, estimated remaining shelf life, refurbishment possibility and related expected costs, historical consumption patterns, product discontinuances and expected future demand. Considering the judgement involved in evaluating the above factors and materiality of amounts, we have identified net realisable value assessment of inventory as key audit matter for the current year audit.	Our audit procedures for net realisable value assessment of inventory included, but were not limited to the following: a) Obtained an understanding of management's process for identifying slow-moving, obsolete, and other non-saleable inventory, and for determining the related provision for slow-moving/obsolescence inventories. b) Assessed the appropriateness of related accounting policies adopted by the Company in accordance with the requirements of Ind AS 2; c) Evaluated the design and implementation, and tested the operating effectiveness of key internal financial controls that the Company has in relation to aforesaid process; d) Evaluated the nature, source and reliability of data/ information used by the management for identification of slow moving/obsolete items of inventory, including key judgement and estimates applied. We evaluated such assessment basis ageing of inventory, past consumption patterns of similar inventory, and our understanding of prevailing and expected market conditions. e) Tested, on sample basis, the estimated net realisable value and related provision computed by the management, basis recent and subsequent sale transactions of such inventory items, and evaluating management's estimates for any reprocessing cost required to be incurred basis historical cost patterns; and f) Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in accordance with requirement of applicable accounting standards.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the standalone financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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

Independent Auditor's Report

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
    - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
    b) Except for the matters stated in paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)}, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) The standalone financial statements dealt with by this report are in agreement with the books of account;
    d) In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;
    f) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 17(b) above on reporting under section 143(3)(b) of the Act and paragraph 17(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
    g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2026 and the operating effectiveness of such controls, refer to our separate report in Annexure II wherein we have expressed an unmodified opinion; and
    h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
        i. The Company, as detailed in note 40 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2026;
        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2026;
        iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(m) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 54(n) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Independent Auditor's Report

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2026.

vi. As stated in Note 56 to the standalone financial statements and based on our examination which included test checks, the Company, in respect of financial year commencing on or after 1 April 2025, has used an accounting software is operated by a third-party software service provider for maintaining its books of account which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year at the database level. The audit trail has been preserved at the application level but not at the database level by the Company as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495
UDIN: 26512495FGHXNR7970

Place: Mumbai
Date: 28 May 2026

Independent Auditor's Report

Annexure I referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Shalimar Paints Limited on the standalone financial statements for the year ended 31 March 2026

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress, investment property and relevant details of right-of-use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment ,capital work-in-progress, investment property and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment ,capital work-in-progress, investment property and relevant details of right-of-use assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in Note 5.1 to the standalone financial statements, are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Nashik and Chennai with gross carrying values of ₹ 21.77 crore and ₹ 3.60 crore as at 31 March 2026, which have been mortgaged as security for loans or borrowings taken by the Company, confirmations with respect to title of the Company have been directly obtained by us from the respective lenders. Further, the title deeds of immovable properties in the nature of land situated at Goaberia and building situated at Mumbai with gross carrying values of ₹ 4.50 crore and ₹ 3.22 crore respectively as at 31 March 2026 have been submitted in Court as security towards ongoing litigations.

(d) The Company has adopted cost model for its Property, Plant and Equipment (including right-of-use assets) and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods-in-transit and inventory lying with third parties. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records. In respect of inventory lying with third parties, these have been confirmed by the third parties and in respect of goods-in-transit, these have been confirmed from corresponding receipt and/or dispatch inventory records.

(b) As disclosed in Note 54(f) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were subject to audit/review, except for the following:

Name of the Banks / financial institution	Working capital limit sanctioned (₹ in crore)	Nature of current assets offered as security	Quarter	Information disclosed as per return (₹ in crore)	Information as per books of accounts (₹ in crore)	Difference (₹ in crore)	Reasons
Punjab National Bank Limited, State Bank of India Limited, Union Bank of India Limited	185.17	Inventories and trade receivablesPari Passu charge on current assets, also refer note 23 of standalone financials	30 June 2025	287.49	267.32	20.17	Refer note 54(f)
			30 September 2025	284.56	265.35	19.21	
			31 December 2025	262.75	245.89	16.86	
			31 March 2026	254.96	237.53	17.43	

(iii) The Company has not made investments in, provided any guarantee or security or granted any advances in the nature of loans to companies, firms, and limited liability partnerships during the year. Further, the Company has granted unsecured loans to companies during the year, in respect of which:

(a) The Company has provided loan to Subsidiaries during the year as per details given below:

Particulars	Loans
Aggregate amount provided/granted during the year (₹ in crore): - Subsidiaries	5.51
Balance outstanding as at balance sheet date (₹ in crore): - Subsidiaries (*)	11.86

(*) includes ₹ 6.34 crore presented as deemed investment in the standalone financial statements (refer note 7)

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal and interest are regular.

(d) In the absence of stipulated schedule of repayment of principal and payment of interest in respect of loans, we are unable to comment as to whether there is any amount which is overdue for more than 90 days or whether reasonable steps have been taken by the Company for recovery of such principal amounts and interest.

(e) In respect of loans granted by the Company, the schedule of repayment of principal and interest has not been stipulated. According to the information and explanation given to us, such loans have not been demanded for repayment as on date.

(f) The Company has granted loans which are repayable on demand, as per details below:

Particulars	All Parties	Related Parties
Aggregate of loans (₹ in crore) - Repayable on demand (A) (*) - Agreement does not specify any terms or period of repayment (B)	 11.86 -	 11.86 -
Total (A+B)	11.86	11.86
Percentage of loans to the total loans	100%	100%

(*) includes ₹ 6.34 crore presented as deemed investment in the standalone financial statements (refer note 7)

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans granted and investments made as applicable. Further, the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act only in respect of specified products of the Company. For such products, we have broadly reviewed the accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under the aforesaid section, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, we report that there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Independent Auditor's Report

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates *	Forum where dispute is pending
Income-Tax Act, 1961	Income Tax	2.58	-	AY 2015-16	Commissioner Income Tax (Appeals), New Delhi
		2.46	-	AY 2018-19	Commissioner Income Tax (Appeals), New Delhi
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.09	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh
		0.06	-	FY 2006-07	Assistant Commissioner, Madhya Pradesh
		0.14	-	FY 2008-09	Assistant Commissioner, Madhya Pradesh
		0.18	-	FY 2016-17	Assistant Commissioner, Bihar
		0.24	0.03	FY 1996-97	Commissioner, Delhi
		0.01	-	FY 2015-16	Assistant Commissioner, Delhi
		0.17	-	FY 2005-06	Tribunal level in Odisha
		0.02	-	FY 2013-15	Tribunal level in Odisha
		0.00^	-	FY 2015-16	CIT, Odisha
		0.01	-	FY 1995-96	Revision board, Tripura
		0.04	-	FY 2016-17	Commissioner, Tripura
		0.04	-	FY 2016-17	CIT, Odisha
		0.00	-	FY 1994-95	Revision board, Tripura
		0.14	-	FY 2013-14	Appeal with Joint Commissioner, Uttarakhand
		0.04	-	FY 2013-14	High Court, Kerala
		0.02	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh
		0.02	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh
		0.10	0.00^	FY 2016-17	Assistant Commissioner, Ahmedabad
		0.20	-	FY 2013-14	Assistant Commissioner, Tamil Nadu
		0.19	-	FY 2014-15	Assistant Commissioner, Tamil Nadu
		0.38	-	FY 2012-13	Assistant Commissioner, Bihar
		0.04	-	FY 2013-14	Assistant Commissioner, Patna, Bihar
		0.02	-	FY 2016-17	Assistant Commissioner, Punjab

Independent Auditor's Report

Name of the statute	Nature of dues	Gross Amount (₹ in crores)	Amount paid under Protest (₹ in crores)	Period to which the amount relates *	Forum where dispute is pending
Goods and Services Tax Act, 2017	Goods and Service Tax	0.90	-	FY 2019-20	Assistant Commissioner, Haryana
		0.31	-	FY 2020-21	Assistant Commissioner, Bihar
		0.05	-	FY 2021-22	Assistant Joint Commissioner, UP
		0.15	-	FY 2020-21	Assistant Commissioner, UP
		0.34	-	FY 2018-19	Assistant Commissioner, Gujrat
		0.77	-	FY 2017-18	Assistant Commissioner, UP
		0.82	-	FY 2017-18	Joint Commissioner, TN
		0.02	-	FY 2020-21	Assistant Commissioner, Haryana
		0.00	-	FY 2020-21	Assistant Commissioner, TN
		0.10	-	FY 2020-21	Assistant Commissioner, UP
		0.02	-	FY 2021-22	Commissioner, Gujrat
		0.03	-	FY 2022-23	Joint Commissioner, UP
		0.02	-	FY 2017-18	Assistant Commissioner, Cuttack
		0.00	-	FY 2018-19	Assistant Commissioner, Assam
		0.00	-	FY 2018-19	Assistant Commissioner, TN
		0.02	-	FY 2017-18	Additional Commissioner Grade-II UP
Employees State Insurance Act, 1948	Employee State Insurance	0.02	-	April 1993 to Sep 1996	Employee Insurance Court, Kolkata, West Bengal
		0.19	-	July 2002 to June 2003	Employee Insurance Court, Kolkata, West Bengal

*FY – Financial Year; AY – Assessment Year

^0.00 represent amounts less than ₹ 50,000

(viii) According to the information and explanations given to us, we report that no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including confirmations received from banks representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

Independent Auditor's Report

(e) In our opinion and according to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) In our opinion and according to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which have been considered by us while determining the nature, timing and extent of audit procedures..

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

(b) We were unable to obtain some of the Internal Audit Reports of the Company on timely basis, hence the Internal Audit Reports have been considered by us, only to the extent made available to us.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a), (b) and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC (Core Investment Company).

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to ₹ 43.81 crore and ₹ 64.36 crore respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the {financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information in the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, as detailed in Note 55 to the standalone financial statements, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the company as and when they fall due.

Independent Auditor's Report

(xx) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495
UDIN: 26512495FGHXNR7970

Place: Mumbai
Date: 28 May 2026

Independent Auditor's Report

Annexure II to the Independent Auditor's Report of even date to the members of Shalimar Paints Limited on the standalone financial statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Shalimar Paints Limited ('the Company') as at and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to the standalone financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements .

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to the standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495
UDIN: 26512495FGHXNR7970

Place: Mumbai
Date: 28 May 2026

Standalone Balance Sheet as at 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025
Assets			
Non-current assets			
Property, plant and equipment	5.1	269.39	244.95
Capital work-in-progress	5.2	0.01	26.27
Right-of-use assets	5.3	24.19	26.99
Investment property	5.4	2.87	-
Intangible assets	6.1	3.13	4.21
Intangible assets under development	6.2	0.13	0.31
Financial assets			
i) Investments	7	6.97	8.90
ii) Other financial assets	8	2.50	4.36
Non-current tax assets (net)	9	3.88	4.52
Other non-current assets	10	1.38	8.22
Total non-current assets		**314.45**	**328.73**
Current assets			
Inventories	11	102.14	133.87
Financial assets			
i) Trade receivables	12	135.39	147.87
ii) Cash and cash equivalents	13.1	7.08	7.00
iii) Bank balances other than (ii) above	13.2	39.95	38.41
iv) Loans	14	5.51	-
v) Other financial assets	15	3.89	11.29
Other current assets	16	13.43	16.79
Total current assets		**307.39**	**355.23**
Total assets		**621.84**	**683.96**
Equity and liabilities			
Equity			
Equity share capital	17	16.74	16.74
Other equity	18	220.92	282.47
Total equity		**237.66**	**299.21**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	19	-	17.49
ii) Lease liabilities	20	3.82	7.73
iii) Other financial liabilities	21	0.39	0.11
Provisions	22	7.10	4.58
Total non-current liabilities		**11.31**	**29.91**
Current liabilities			
Financial liabilities			
i) Borrowings	23	157.03	135.06
ii) Lease liabilities	24	3.91	3.58
iii) Trade payables	25		
-Total outstanding dues to micro enterprises and small enterprises		19.44	33.40
-Total outstanding dues to trade payables other than micro and small enterprises		155.97	158.72
iv) Other financial liabilities	26	28.38	16.72
Other current liabilities	27	4.01	4.34
Provisions	28	4.13	3.02
Total current liabilities		**372.87**	**354.84**
Total liabilities		**384.18**	**384.75**
Total equity and liabilities		**621.84**	**683.96**
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1-58		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Standalone Statement of Profit and Loss for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	29	569.03	599.06
Other income	30	6.86	9.86
Total income		**575.89**	**608.92**
Expenses			
Cost of materials consumed	31	318.53	399.42
Purchases of stock-in-trade	32	37.83	45.88
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	27.87	(9.89)
Employee benefits expense	34	67.04	79.28
Finance costs	35	25.26	17.55
Depreciation, amortisation and impairment expense	36	19.53	15.75
Other expenses	37	138.57	141.04
Total expenses		**634.63**	**689.03**
Loss before exceptional items and tax		**(58.74)**	**(80.11)**
Exceptional items	41 b&c	4.60	-
Loss before tax		**(63.34)**	**(80.11)**
Tax expense	38		
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
Loss for the year		**(63.34)**	**(80.11)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
(i) Remeasurement gain on defined benefit plans		1.11	1.64
(ii) Tax effect on above		-	-
Total other comprehensive income for the year		**1.11**	**1.64**
Total comprehensive loss for the year, net of tax		**(62.23)**	**(78.47)**
Earnings per equity share of face value of Rs. 2 each	39		
1) Basic (in Rs.)		**(7.57)**	**(9.57)**
2) Diluted (in Rs.)		**(7.57)**	**(9.57)**
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.	1-58		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Standalone Statement of Cash Flow for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

('Indirect method')

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025
A. Operating activities			
Loss before tax		(63.34)	(80.11)
Adjustments for:			
Depreciation, amortisation and impairment expense	36	19.53	15.75
Gain on lease modification	30	-	(0.09)
Interest expense	35	25.26	17.55
Interest income on bank deposits	30	(3.27)	(4.62)
(Profit)/Loss on disposal of property, plant and equipment (net)	30	(0.00)	0.00
Allowance for expected credit loss	37	0.73	0.87
Excess liabilities written back	30	-	(3.92)
Share based payment expense	34	0.68	0.32
Provision for inventory obsolescence		-	7.60
Unrealised gain on foreign currency		-	(0.12)
Unwinding of premium on investments	30	(0.00)	(0.01)
Unwinding of discount on security deposit	30	(0.06)	(0.01)
Interest income on loan to subsidiary	30	(0.31)	-
Operating loss before working capital changes		**(20.78)**	**(46.79)**
Working capital adjustments:			
Decrease/(Increase) in Inventories		31.73	(24.99)
Decrease/(increase) in trade receivables		11.75	(37.83)
Decrease/(increase) in other current & non current financial assets		2.24	(3.15)
Decrease/(Increase) in other current and non-current asset		3.44	(4.34)
Increase in other current and non-current financial liability		11.96	6.74
(Decrease) in other current liability		(0.33)	(1.98)
(Decrease)/ Increase in trade payables		(18.42)	54.22
Increase in provisions		4.74	0.12
Cash flows generated from/ (used in) operations		**26.33**	**(58.00)**
Net Income tax refund / (paid)	9	0.64	(0.63)
Net cash generated from/ (used in) from operating activities (A)		**26.97**	**(58.63)**
B. Investing activities			
Purchase of property, plant and equipment and intangible assets (including adjustments on account of capital-work-in-progress, capital advances and capital creditor)		(10.01)	(32.22)
Proceeds from sale of property, plant and equipment and capital-work-in-progress		0.24	8.00
Loans given	14	(5.51)	(0.01)
Proceeds from (investment in)/ maturity of bank deposits (net)		6.02	6.40
Proceeds from repayment of loan classified as deemed investment		1.93	-
Interest received	30	3.10	3.40
Net cash (used in) investing activities (B)		**(4.23)**	**(14.43)**
C. Financing activities			
Repayment of long term borrowings		(20.05)	(12.06)
Proceeds from short-term borrowings (net)		22.57	58.96
Repayment of principal portion of lease liabilities		(3.58)	(2.04)
Repayment of interest portion of lease liabilities	35	(0.99)	(0.44)
Interest paid		(22.57)	(17.11)
Net cash flows (used in)/ generated from financing activities (C)		**(24.62)**	**27.31**
Net change in cash and cash equivalents (D=A+B+C)		**(1.88)**	**(45.75)**
Cash and cash equivalents at the beginning of year (E)		(23.89)	21.86
Cash and cash equivalents at the end of year (D+E)		**(25.77)**	**(23.89)**
Reconciliation of cash and cash equivalents as per the cash flow statement			
Components of cash and cash equivalents for statement of cash flows:			
i) Cash on hand*		0.00	0.00
ii) Balance with banks :			
-In current accounts		0.73	7.00
-Balance in deposits with original maturity less than 3 months		6.35	-
Total cash and cash equivalents		7.08	7.00
Less: Bank overdrafts		(32.85)	(30.89)
		(25.77)	**(23.89)**

(*) '0.00' represent amounts less than Rs. 50,000.
Refer note 50 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7
The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements.1-58

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Standalone Statement Of Changes In Equity for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

A	Equity Share Capital	Notes	No. of shares	Amount
	Equity share capital as at 1 April 2024	17	8,37,11,178	16.74
	Changes in equity share capital during the year		-	
	Equity share capital as at 31 March 2025	17	8,37,11,178	16.74
	Changes in equity share capital during the year		-	-
	Equity share capital as at 31 March 2026	17	**8,37,11,178**	**16.74**

B Other equity

Particulars	Notes	Reserves & Surplus						Total
		Securities premium	Share options outstanding account	General reserve	Retained earnings	Revaluation reserve	Capital reserve	
Balance as at 1 April 2024	18	**611.60**	**1.92**	**40.62**	**(404.48)**	**108.71**	**2.25**	**360.62**
-Loss for the year		-	-	-	(80.11)	-	-	**(80.11)**
-Other comprehensive income for the year								
Remeasurement gain on defined benefit plans		-	-	-	1.64	-	-	**1.64**
-Employee stock option expense		-	0.32	-	-	-		**0.32**
-Employee stock options lapsed during the year		-	(0.47)	-	0.47	-	-	**-**
Balance as at 31 March 2025		**611.60**	**1.77**	**40.62**	**(482.48)**	**108.71**	**2.25**	**282.47**
-Loss for the year		-	-	-	(63.34)	-	-	**(63.34)**
-Other comprehensive income for the year								
Remeasurement gain on defined benefit plans		-	-	-	1.11	-	-	**1.11**
-Employee stock option expense		-	0.68	-	-	-	-	**0.68**
-Employee stock options lapsed during the year		-	(0.98)	-	0.98	-	-	**-**
Balance as at 31 March 2026		**611.60**	**1.47**	**40.62**	**(543.73)**	**108.71**	**2.25**	**220.92**

The summary of material accounting policies and other explanatory information form an integral part of these standalone financial statements. 1-58

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Notes to the Standalone Financial Statements for the year ended 31 March 2026

1. Company background

Shalimar Paints Limited ("the Company") [CIN: L24222HR1902PLC065611] is a public limited Company domiciled in India. The registered office of the Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Company has pan-India presence through its marketing offices in all major states in India and has its manufacturing units in Nashik, Howrah, Sikandrabad and Chennai.

2. Basis of preparation of standalone financial statements

These standalone financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act and guidelines issued by the SEBI to the extent applicable. The accounting policies have been applied consistently over all the periods presented in these standalone financial statements. The standalone financial statements provide comparative information in respect of previous year. These standalone financial statements are approved for issue by the Board of Directors on 28 May 2026.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle

3. Summary of material accounting policies

3.1 Basis of measurement

The standalone financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1 April 2016);
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

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

3.2 Fair value measurements

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of various discounts and incentive schemes offered by the Company as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable. As the period between the date on which the Company transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

a) Sale of goods:

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

b) Services rendered:

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue as it provides a faithful depiction of the transfer of goods and services to the customer.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

c) Other operating income – Export incentives:

Export Incentives under various schemes are accounted in the year of export.

3.4 Other Income

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend income from investments is recognised when the Company's right to receive dividend is established.

3.5 Inventories

Inventories are valued as follows:

a) **Raw materials, components, stores and spares:** At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

b) **Work-in-progress:** At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) **Intermediate goods/ Finished goods:**

i. Self-manufactured - At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average cost basis.

ii. Traded - At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unprocessable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

3.6 Property, plant and equipment and capital work-in-progress

a. Measurement at recognition

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Standalone Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Standalone Statement of Profit and Loss.

The Company had elected to use fair value as the deemed cost for Property, Plant, and Equipment at the date of transition to Ind AS. The revaluation surplus arising from this election is credited to the revaluation reserve within equity. In cases where a revaluation decrease or impairment loss has previously been recognized in profit or loss, any subsequent revaluation increase is first credited to profit or loss to the extent of the previously recognized loss. The remaining portion of the revaluation increase is recognized in other comprehensive income. Downward revaluations are recognized based on appraisal or impairment testing. The decrease is charged to other comprehensive income to the extent of any revaluation surplus in equity related to the asset. Any remaining decrease is recognized in profit or loss. Upon disposal of the asset, any revaluation surplus remaining in equity is transferred to retained earnings.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date.

Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

b. Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognised.

c. Depreciation

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Standalone Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The estimated useful life of items of PPE is mentioned below:

Particulars	Useful life
Factory Building	30 years
Other than factory building	60 years
Plant and machinery	7-15 years
Office equipment	5 years
Computer	3 years
Tinting machines*	10-15 years
Furniture and fixtures	10 years
Vehicles	8 years
Pallets*	2-5 years

*The useful life assessed by the Management is different than those indicated in Schedule II to the Companies Act, 2013

Depreciation is charged on fair valued amount less estimated salvage value. Freehold land is not depreciated. Leasehold improvements is amortised on a straight-line basis over the remaining period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

3.7 Intangible Assets

a. Measurement at recognition

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Expenditure on the research phase of internally generated intangibles is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets provided, they meet the recognition requirements. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. Development costs not meeting these criteria for capitalisation are expensed as incurred.

b. Amortisation

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

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

Particulars	Useful life
Computer software	6 years
Trademark	10 years
Technical Knowhow	25 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year.

c. Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Standalone Statement of Profit and Loss when the asset is derecognised.

3.8 Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both. These are measured initially at cost of acquisition, including transaction costs. The cost shall also include borrowing cost if the recognition criteria are met. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

Any gain or loss on disposal of an investment property is recognised in profit or loss, unless any other standard specifically requires otherwise. The Company depreciates the investment property using the straight-line method.

The fair value of investment property is disclosed in the notes to the standalone financial statements. The fair value is determined by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

3.9 Investment in subsidiaries

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

a) power over the investee;

b) exposure, or rights, to variable returns from its involvement with the investee; and

c) the ability to use its power over the investee to affect the amount of the investor's returns

The Company has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investment carried at cost is tested for impairment as per Ind AS 36.

3.10 Leases

The Company as a lessee

The Company enters into an arrangement for lease of land, buildings and equipment. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfils the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in standalone profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.11 Employee benefits

a. Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b. Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through Standalone Other Comprehensive Income ("OCI") in the period in which they occur. Re-measurements are not reclassified to standalone profit or loss in subsequent periods.

Past service costs are recognised in Standalone Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c. Compensated absences (other long term employee benefits)

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Standalone Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the standalone balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Standalone Statement of Profit and Loss in the period in which the employee renders the related service.

3.12 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date of grant using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share option outstanding account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Statement of Profit and Loss.

3.13 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous standalone financial statements, are recognised as income or as expenses in the year in which they arise.

3.14 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.15 Income taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. It is recognised in standalone profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a. Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including on unabsorbed losses) are re-assessed at each reporting date and are recognised to the extent that it has become probable that there is reasonable certainty with convincing evidence of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Company predominantly fall within a single operating segment, i.e., manufacturing and sale of paints.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements, thus there are no additional disclosures to be provided under Ind AS 108 ‘Segment Reporting’.

3.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the standalone balance sheet.

3.19 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (“CGU”) fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Standalone Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset, except for trade receivables which are initially measured at transaction price.

For purposes of subsequent measurement, financial assets are classified as follows:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the standalone statement of Profit and Loss. The losses arising from impairment are recognised in the standalone statement of Profit and Loss. This category generally applies to trade and other receivables.

b. Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Company has not designated any debt instrument in this category.

c. Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss. The Company has not designated any debt instrument in this category.

d. Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Company measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Standalone Statement of Profit and Loss under the head 'other expenses'.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in standalone profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are de recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in standalone profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Standalone Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in Standalone OCI. These gains/ loss are not subsequently transferred to the Standalone Statement of Profit and Loss.

b. Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Standalone Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Standalone Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

3.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.22 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

3.24 Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Company applied following applicable amendments for the first-time during the current year which are effective from 1 April 2025:

Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments do not have a material impact on the Company's standalone Financial Statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements. The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

3.25 Standards notified but not yet effective

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

Paragraph 74 of Ind AS 1 currently effective for the year ended 31 March 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the Company's Standalone Financial Statements.

4. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the standalone financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the standalone financial statements. Changes in estimates are accounted for prospectively.

i. Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

a. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b. Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a. Useful lives of tangible/intangible assets

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

b. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Share based payment

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

d. Leases – determination of the appropriate discount rate to measure lease liabilities

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

e. Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the management identifies old, slow-moving, damaged, and expired inventory to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items.

f. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Standalone Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Allowance for expected credit loss

The Company applies Expected Credit Losses (“ECL”) model for measurement and recognition of loss allowance on trade receivables. In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 ‘Revenue from Contracts with Customers’.

For this purpose, the Company follows ‘simplified approach’ for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

5.1 Property, plant and equipment

Particulars	Land free hold [refer note (e)]	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Gross carrying value								
As at 1 April 2024	**97.37**	**95.90**	**78.09**	**1.47**	**2.18**	**6.67**	**14.13**	**295.81**
Additions for the year	-	16.45	12.19	0.49	0.15	2.59	1.87	33.74
Disposals/ other adjustment	-	-	(2.01)	(0.23)	(0.26)	(0.91)	-	(3.41)
As at 31 March 2025	**97.37**	**112.35**	**88.27**	**1.73**	**2.07**	**8.35**	**16.00**	**326.14**
Additions for the year	-	20.44	20.97	0.10	-	1.32	-	42.83
Disposals for the year	-	-	-	(0.04)	-	(0.01)	-	(0.05)
Transferred to investment property (refer note f)	-	(10.24)	-	-	-	-	-	(10.24)
As at 31 March 2026	**97.37**	**122.55**	**109.24**	**1.79**	**2.07**	**9.66**	**16.00**	**358.68**
Accumulated depreciation								
As at 1 April 2024	**-**	**24.50**	**35.26**	**-**	**0.70**	**2.80**	**5.76**	**69.02**
Depreciation for the year	-	3.09	7.33	0.19	0.26	1.22	0.64	12.73
Disposals/ other adjustment	-	-	(0.23)	(0.02)	(0.16)	(0.15)	-	(0.56)
As at 31 March 2025	**-**	**27.59**	**42.36**	**0.17**	**0.80**	**3.87**	**6.40**	**81.19**
Depreciation for the year	-	4.22	8.91	0.22	0.24	1.58	-	15.17
Disposals for the year	-	-	-	(0.04)	-	(0.01)	-	(0.05)
Transferred to investment property (refer note f)		(7.02)						(7.02)
As at 31 March 2026	**-**	**24.79**	**51.27**	**0.35**	**1.04**	**5.44**	**6.40**	**89.29**
<u>Net carrying value</u>								
Balance as at 31 March 2025	97.37	84.76	45.91	1.56	1.27	4.48	9.60	244.95
Balance as at 31 March 2026	97.37	97.76	57.97	1.44	1.03	4.22	9.60	269.39

Notes:

a) Refer note 19 and note 23 for details regarding property, plant and equipment which are pledged as security.

b) Refer note 40B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) All the title deeds of the immovable properties are held in the name of the Company.

d) Refer note 54b for details regarding revaluation.

e) This includes land at Goaberia (adjacent to Howrah plant) amounting to Rs. 4.50 crore given as security to Tara Properties Private Limited. Refer note 53.

f) During the year, the Company has transferred its office at Mumbai amounting to Rs. 3.22 crore (net carrying value) from property, plant and equipment to investment properties upon change in use evidenced by commencement of operating lease to third parties, in accordance with Ind AS 40. This includes office at mumbai given as security to high court against award received from Nashik plant fire case. Refer note 52.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

5.2 Capital work-in-progress

Particulars	Amount
Gross carrying value	
As at 1 April 2024	**33.67**
Additions for the year	32.05
Deletions for the year [refer note 5.3(a)]	(5.16)
Capitalised during the year	(34.29)
As at 31 March 2025	**26.27**
Additions for the year	16.57
Capitalised during the year	(42.83)
As at 31 March 2026	**0.01**

Ageing of capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026					
Projects in progress	0.01	-	-	-	0.01
Total	**0.01**	**-**	**-**	**-**	**0.01**
As at 31 March 2025					
Projects in progress	6.69	19.37	0.21	-	26.27
Total	**6.69**	**19.37**	**0.21**	**-**	**26.27**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

5.3 Right-of-use assets

Particulars	Plant and machinery	Buildings leasehold	Land leasehold	Total lease assets
Gross carrying value				
As at 1 April 2024	-	**6.84**	**16.91**	**23.75**
Additions for the year (refer note (a) below)	12.62	-	-	12.62
Disposals for the year	-	(2.61)	-	(2.61)
As at 31 March 2025	**12.62**	**4.23**	**16.91**	**33.76**
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
As at 31 March 2026	**12.62**	**4.23**	**16.91**	**33.76**
Accumulated depreciation				
As at 1 April 2024	-	**4.25**	**1.58**	**5.83**
Depreciation for the year	0.76	1.02	0.26	2.04
Disposals for the year	-	(1.10)	-	(1.10)
As at 31 March 2025	**0.76**	**4.17**	**1.84**	**6.77**
Depreciation for the year	2.46	0.06	0.28	2.80
Disposals for the year	-	-	-	-
As at 31 March 2026	**3.22**	**4.23**	**2.12**	**9.57**
Net carrying value				
Balance as at 31 March 2025	11.86	0.06	15.07	26.99
Balance as at 31 March 2026	9.40	-	14.79	24.19

a) During the previous year, the Company sold property, plant, and equipment, as well as capital work-in-progress, at their written down and carrying values respectively, and simultaneously leased them back for a period of 5 years. No gain or loss was recognized from the sale of these assets. The Company has measured the right-of-use asset resulting from the lease back according to the contractual terms.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

5.4 Investment Property

Particulars	As at 31 March 2026	As at 31 March 2025
Gross carrying value		
As at 1 April 2025	**-**	**-**
Transferred from Property plant and equipment	10.24	-
As at 31 March 2026	**10.24**	**-**
Accumulated depreciation and impairment		
As at 1 April 2025	-	-
Transferred from Property plant and equipment	7.02	-
Charge for the year	0.35	-
As at 31 March 2026	**7.37**	**-**
Net carrying amount as at 31 March 2026 (*)	**2.87**	**-**

Amounts recognised in profit or loss for investment properties

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Rental income	0.06	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**0.06**	**-**
Depreciation	-0.35	-
Profit/(loss) from investment properties	**(0.29)**	**-**

(*) This office at Mumbai is given as security to High Court against award received for Nashik plant fire. Refer note 52.

Fair value of the investment property

Particulars	31-Mar-26	31-Mar-25	As at 31 March 2026	As at 31 March 2025
Mumbai office	Level 3	-	14.18	-

The fair value of the said property is estimated based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The significant inputs and assumptions are developed in close consultation with management. The main inputs used for estimating fair value are the ready reckoner prices, enquiry with local agents / property dealers for comparable transactions in active market for similar properties and age of the structure.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

6.1 Intangible assets

Particulars	Computer Software	Technical Know How	Trade Mark	Total
Gross carrying value				
As at 1 April 2024	**7.24**	**0.68**	**0.50**	**8.42**
Additions for the year	2.30	-	-	2.30
As at 31 March 2025	**9.54**	**0.68**	**0.50**	**10.72**
Additions for the year	0.13	-	-	0.13
As at 31 March 2026	**9.67**	**0.68**	**0.50**	**10.85**
Accumulated amortisation				
As at 1 April 2024	**4.77**	**0.29**	**0.47**	**5.53**
Amortisation for the year	0.95	0.03	-	0.98
As at 31 March 2025	**5.72**	**0.32**	**0.47**	**6.51**
Amortisation for the year	1.18	0.03	-	1.21
As at 31 March 2026	**6.90**	**0.35**	**0.47**	**7.72**
Net carrying value				
Balance as at 31 March 2025	3.82	0.36	0.03	4.21
Balance as at 31 March 2026	2.77	0.33	0.03	3.13

Note:

a) Refer note 54b for details regarding revaluation.

6.2 Intangible assets under development

Particulars	Amount
Gross carrying value	
As at 1 April 2024	1.27
Additions for the year	0.80
Capitalised during the year	(1.76)
As at 31 March 2025	**0.31**
Additions for the year	0.13
Deletions for the year	(0.18)
Capitalised during the year	(0.13)
As at 31 March 2026	**0.13**

Ageing of intangible assets under development is as follows:

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026					
Projects in progress	-	0.04	0.09	-	0.13
Total	**-**	**0.04**	**0.09**	**-**	**0.13**
As at 31 March 2025					
Projects in progress	0.11	0.20	-	-	0.31
Total	**0.11**	**0.20**	**-**	**-**	**0.31**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

7 Non-current investments

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares/units	Amount	No. of Shares/units	Amount
A. Investment in equity shares in wholly owned subsidiaries (at cost) (unquoted)				
(i) Shalimar Adhunik Nirman Limited				
Fully paid up shares of Rs.10 each*	**49,990**	6.38	**49,990**	8.32
Partly paid up shares @ Re.1 each (share of Rs.10 each)	**4,50,000**	0.05	**4,50,000**	0.05
(ii) IM Inicio Projects Private Limited (formerly known as Eastern Speciality Paints & Coatings Private Limited)				
Fully paid up shares of Rs.10 each^	**50,000**	0.07	**50,000**	0.06
Less: Provision for impairment in value of investment		(0.03)		(0.03)
Total		**6.47**		**8.40**
B. Investment in others in fully paid equity shares (at FVTPL) (unquoted)				
(i) Woodlands Multispecialty Hospital Limited				
Fully paid up shares of Rs.10 each	**2,350**	0.00	**2,350**	0.00
Total		**0.00**		**0.00**
C. Investment in preference shares in wholly-owned subsidiary companies (amortised cost, unquoted)				
(i) Shalimar Adhunik Nirman Limited				
6% Non-cumulative, non-convertible redeemable preference shares of Rs. 100 each (fully paid up) (refer note (c) below)	**50,000**	0.50	**50,000**	0.50
Total		**0.50**		**0.50**
Grand Total (A+B+C)		**6.97**		**8.90**

* It includes equity component of interest free loan of Rs. 6.34 crore (31 March 2025 Rs. 8.27 crore)

^ It includes equity component of interest free loan of Rs. 0.02 crore (31 March 2025 Rs. 0.01 crore)

Notes:

a) Refer note 46 for related party transactions and balances.

b) As per the order of Hon'ble High Courts of Calcutta and Delhi in accordance with the Scheme of arrangement under Section 391-394 of the Companies Act, 1956 between Shalimar Paints Limited, its subsidiary company, Shalimar Adhunik Nirman Private Limited (SANL), and their respective shareholders and creditors, the Company transferred its Real Estate Division, consisting fixed assets and current assets valued at Rs. 5.77 crore (inclusive of stamp duty on land) to SANL. Out of the said consideration money, SANL has issued preference shares amounting to Rs. 0.50 crore. The balance consideration of Rs. 5.27 crore shall be discharged by payment in cash. Further, as per the above-mentioned arrangement, all debts, duties, undertakings, liabilities and obligations (hereinafter referred to as 'obligations') incurred by the Company in connection with the Real Estate Division on or after the appointed date shall be deemed to have been raised, used, incurred for and on behalf of SANL. This has resulted in the additional loan of Rs. 3.08 crore (31 March 2025: Rs. 3.01 crore), including interest, to SANL. During the year, SANL repaid Rs. 2 crore against the outstanding balance. Both the balance consideration and obligations have been included and presented in the investments.

c) The Board of Directors of the Company had extended the time period for redemption of 6% non-cumulative redeemable preference shares by five years w.e.f 20 May 2024 till 20 May 2029.

Aggregate amount of unquoted investments		**6.97**		**8.90**
Aggregate amount of impairment in the value of investments		**0.03**		**0.03**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

8 Other non-current financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Financial assets at amortised cost		
Security deposits	2.29	4.01
Balance in deposits with maturity of more than 12 months*	0.21	0.35
Total	**2.50**	**4.36**

* These deposits are under lien with banks.

9 Non-current tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance income tax (net of provision for income tax)	3.88	4.52
Total	**3.88**	**4.52**
The gross movement in the non-current tax assets:		
Net balance at the beginning of the year	4.52	3.89
Advance tax paid/ TDS receivable	1.42	0.63
Provision for the current year	-	-
Refunds during the year	(2.06)	-
Net income tax assets	**3.88**	**4.52**
Disclosed as:		
Income tax assets (net)	29.19	29.83
Non-current tax liabilities (net)	25.31	25.31
Net income tax assets	**3.88**	**4.52**

10 Other non-current assets

Particulars	As at 31 March 2026	As at 31 March 2025
Prepaid expenses	0.08	0.16
Capital advances	1.30	8.06
Total	**1.38**	**8.22**

11 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2026	As at 31 March 2025
Raw material	35.26	39.76
Work-in-progress	6.14	5.71
Finished goods	55.83	84.13
Stores and spares	4.91	4.27
Total	**102.14**	**133.87**

Notes:

a) Inventories are presented net of a provision for obsolete, slow-moving, and damaged inventory amounting to Rs. 4.58 crore (as of 31 March 2025: Rs. 6.61 crore). This provision is made for non-processable inventory and adjustments based on the physical verification conducted by the Company.

b) Finished goods includes trading goods Rs. 5.67 crore (31 March 2025: Rs. 9.68 crore) and goods-in-transit Rs. 2.08 crore (31 March 2025: Rs. 3.86 crore).

c) The cost of inventories recognised as an expense during the year is disclosed in notes 31, 32 and 33.

d) Refer notes 19 and 23 for information on inventory pledged as security by the Company.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

12 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured		
-Considered good	135.39	147.87
-Credit impaired	7.73	7.01
	143.12	154.88
Less: Allowance for expected credit loss	(7.73)	(7.01)
Total	**135.39**	**147.87**

Notes:

(i) For trade receivables from related parties, refer note 46.

(ii) Trade receivables are non interest bearing and credit period generally falls in the range of 0 to 120 days.

(iii) Refer note 19 and note 23 for information on trade receivables pledged as security by the Company.

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(v) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 46.

(vi) Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Company applies lifetime expected credit loss model for measurement of trade receivables.

Transferred trade receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement by the Company where it has retained significant risks and rewards of receivables. Under this arrangement, the Company has sold trade receivables to the financial institution in exchange for cash proceeds. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. Consequently, the proceeds received from transfer are recorded as loans from financial institutions and classified under short-term borrowings. The Company considers that the receivables continues to be held as part of 'held to collect business model' and hence continues measuring them at amortised cost. The carrying amount of the associated liabilities as at the reporting date amounts to Rs. 17.81 crore (31 March 2025: 14.86 crore).

Ageing schedule of trade receivables as at 31 March 2026 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	94.39	25.19	8.05	4.00	2.46	1.30	**135.39**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	1.93	0.32	0.49	1.00	1.76	2.23	**7.73**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	Gross trade receivables	**96.32**	**25.51**	**8.54**	**5.00**	**4.22**	**3.53**	**143.12**
	Less: Allowance for expected credit loss	1.93	0.32	0.49	1.00	1.76	2.23	**7.73**
	Total	**94.39**	**25.19**	**8.05**	**4.00**	**2.46**	**1.30**	**135.39**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Ageing schedule of trade receivables as at 31 March 2025 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	117.53	21.28	3.99	4.77	0.30	-	**147.87**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	1.60	0.38	0.18	1.46	1.75	1.64	**7.01**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	**-**
	Gross trade receivables	**119.13**	**21.66**	**4.17**	**6.23**	**2.05**	**1.64**	**154.88**
	Less: Allowance for expected credit loss	1.60	0.38	0.18	1.46	1.75	1.64	**7.01**
	Total	**117.53**	**21.28**	**3.99**	**4.77**	**0.30**	**-**	**147.87**

13.1 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
-Balance with banks		
Balance with banks in current accounts	0.73	7.00
Cash on hand	0.00	0.00
Balance in deposits with original maturity of less than 3 months*	6.35	-
Total	**7.08**	**7.00**

* Deposits of Rs. 1.35 crore are under lien with banks and financial institutions.

13.2 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025
Deposits with original maturity of more than 3 months but less than 12 months*	39.95	38.41
Total	**39.95**	**38.41**

* These deposits are under lien with banks and financial institutions.

14 Loans

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured and considered good		
Loans to related parties (refer note 46) (*****)	5.51	-
Total	**5.51**	**-**

(*****) During the year, the Company advanced loans aggregating to Rs. 5.51 crore to its wholly owned subsidiary, IM Inicio Projects Private Limited for working capital requirements. The loan carries interest @16.5% p.a. and is repayable on demand. The Company has not given loan or advances in nature of loans to promoters, directors and KMPs (as defined under the Companies Act, 2013), either severally or jointly with any other person.)

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

15 Other current financial assets

Particulars	As at 31 March 2026	As at 31 March 2025
Unsecured and considered good		
Security deposits	0.75	1.18
Interest accrued on term deposits	2.04	2.18
Interest accrued on loan given to subsidiary (refer note 46)	0.31	-
Balance in deposits with remaining maturity of less than 12 months*	0.42	7.84
Other receivables	0.37	0.09
Total	**3.89**	**11.29**

* These deposits are under lien with banks and financial institutions.

16 Other current assets

Particulars	As at 31 March 2026	As at 31 March 2025
Advances to suppliers	6.68	8.93
Advance to employees	0.79	1.17
Prepaid expenses	1.72	1.37
Balance with government authorities	4.24	5.32
Total	**13.43**	**16.79**

17 Equity share capital

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised share capital		
100,000,000 (31 March 2025: 100,000,000) equity shares of Rs. 2 each	20.00	20.00
Issued, subscribed and fully paid up		
83,711,178 (31 March 2025: 83,711,178) equity shares of Rs. 2 each	16.74	16.74
Share forfeiture account	0.00	0.00
Total	**16.74**	**16.74**

Notes:

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning	8,37,11,178	16.74	8,37,11,178	16.74
Balance at the end	**8,37,11,178**	**16.74**	**8,37,11,178**	**16.74**

(ii) **Terms/rights attached to equity shares**

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

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

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

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of shares held	% of holding	No. of shares held	% of holding
Virtuous Tradecorp Private Limited	1,05,67,523	12.62%	1,05,67,523	12.62%
Hella Infra Market Limited	4,42,42,921	52.85%	4,42,42,921	52.85%

*As per the records of the Company, including its register of members.

(iv) **Details of shares held by promoters at the end of the year**

Promoter Name	As at 31 March 2026			As at 31 March 2025		
	Number of shares	% of shares held	% Change during the year	Number of shares	% of shares held	% Change during the year
Hella Infra Market Limited	4,42,42,921	52.85%	0.00%	4,42,42,921	52.85%	0.00%
Hina Devi Goyal	60	0.00%	0.00%	60	0.00%	0.00%
Sminu Jindal	12,468	0.01%	0.00%	12,468	0.01%	0.00%
Sangita Jindal	31,000	0.04%	0.00%	31,000	0.04%	0.00%
Deepika Jindal	89,062	0.11%	0.00%	89,062	0.11%	0.00%
Savitri Devi Jindal	36,515	0.04%	0.00%	36,515	0.04%	0.00%
Urvi Jindal	1,65,545	0.20%	0.00%	1,65,545	0.20%	0.00%
Arti Jindal	10	0.00%	0.00%	10	0.00%	0.00%
R K Jindal & Sons HUF	30,750	0.04%	0.00%	30,750	0.04%	0.00%
P R Jindal HUF	14,606	0.02%	0.00%	14,606	0.02%	0.00%
S K Jindal & Sons HUF	12,300	0.01%	0.00%	12,300	0.01%	0.00%
Naveen Jindal & Sons HUF	36,515	0.04%	0.00%	36,515	0.04%	0.00%
OPJ Trading Private Limited	-	0.00%	0.00%	500	0.00%	0.00%
Nalwa Investments Limited	2,70,569	0.32%	0.00%	2,70,569	0.32%	0.00%
Mansarover Tradex Limited	52,500	0.06%	0.00%	52,500	0.06%	0.00%
Stainless Investments Limited	82,500	0.10%	0.00%	82,500	0.10%	0.00%
Sun Investments Private Limited	82,500	0.10%	0.00%	82,500	0.10%	0.00%
Jindal Equipment Leasing and Consultancy Services Limited	1,02,500	0.12%	0.00%	1,02,500	0.12%	0.00%
Colorado Trading Company Pvt. Ltd.	12,24,635	1.46%	0.00%	12,24,635	1.46%	0.00%
Hexa Securities and Finance Company Ltd.	15,00,000	1.79%	0.00%	15,00,000	1.79%	0.00%
Abhinandan Tradex Limited	55,000	0.07%	0.00%	55,000	0.07%	0.00%
Gagan Infraenergy Limited	-	0.00%	0.00%	500	0.00%	0.00%
Nalwa Sons Investments Limited	13,72,590	1.64%	0.00%	13,72,590	1.64%	0.00%
Opelina Sustainable Services Private Limited	-	0.00%	0.00%	500	0.00%	0.00%
Virtuous Tradecorp Private Limited	1,05,67,523	12.62%	0.00%	1,05,67,523	12.62%	-0.76%
JSL Limited	26,81,992	3.20%	0.00%	26,81,992	3.20%	0.00%
Systran Multiventures Private Limited	100	0.00%	0.00%	100	0.00%	0.00%
PRJ Family Management Company Private Limited (as trustee of PRJ Holdings Private Trust)	85,490	0.10%	0.00%	85,490	0.10%	0.00%
Total	**6,27,49,651**	**74.96%**	**0.00%**	**6,27,51,151**	**74.96%**	**-0.76%**

The above list of promoters is as per Section 2(69) of the Act.

(v) For the period of five years immediately preceeding the date as at which the Balance Sheet is prepared, the Company has not issued any shares without payment being received in cash or issued as fully paid up by way of bonus shares. Further, there has been no buy back of shares during the aforesaid period.

(vi) Share forfeiture account amounts to Rs. 535 (31 March 2025: Rs. 535)

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

18 Other equity

Particulars	As at 31 March 2026	As at 31 March 2025
Securities premium	611.60	611.60
Share options outstanding account	1.47	1.77
General reserve	40.62	40.62
Retained earnings	(543.73)	(482.48)
Revaluation reserve	108.71	108.71
Capital reserve	2.25	2.25
Total	**220.92**	**282.47**

Particulars	As at 31 March 2026	As at 31 March 2025
Securities premium		
Balance at the beginning of the year	611.60	611.60
Balance at the end of the year	**611.60**	**611.60**
Share options outstanding account		
Balance at the beginning of the year	1.77	1.92
Add: Employee stock option expense	0.68	0.32
Less: Employee stock options lapsed during the year	(0.98)	(0.47)
Balance at the end of the year	**1.47**	**1.77**
General reserve		
Balance at the beginning and at the end of the year	**40.62**	**40.62**
Retained earnings		
Balance at the beginning of the year	(482.48)	(404.48)
Add: Loss for the year	(63.34)	(80.11)
Add: Other comprehensive income for the year		
Remeasurement gain on defined benefit plans	1.11	1.64
Add: Employee stock options lapsed during the year	0.98	0.47
Balance at the end of the year	**(543.73)**	**(482.48)**
Revaluation reserve		
Balance at the beginning and at the end of the year	**108.71**	**108.71**
Capital reserve		
Balance at the beginning of the year	2.25	2.25
Balance at the end of the year	**2.25**	**2.25**
Total	**220.92**	**282.47**

i. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

ii. Share options outstanding account

The above reserve relates to the share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 47

iii. General reserve

The above reserve relates to annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of Profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

iv. Retained earnings

Retained earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

v. Revaluation reserve

Revaluation reserve is on account of revaluation of land at various locations and other assets at the time of Ind AS transition.

vi. Capital reserve

The capital reserve has been created through transfer of the equity portion of the optionally convertible debentures, on their repayment. It is not available for distribution to shareholders as dividend.

19 Non-current borrowings at amortised cost

Particulars	As at 31 March 2026	As at 31 March 2025
Secured		
Term loans :		
- from banks	0.29	20.04
- from others (vehicle loan)	0.02	0.32
	0.31	**20.36**
Less: Current maturities of long - term borrowings (refer note 23)	0.31	2.87
Total	**-**	**17.49**

Notes:

a) There is no default in repayments of principal borrowings or interest thereon.

b) The term loans have been used for the specific purpose for which they are availed.

c) No material breaches were identified in relation to the Company's borrowing arrangements during the year.

d) During the year, the Company created a term sheet for the sale of a commercial plot in Gurugram, held in the name of its subsidiary, Shalimar Adhunik Nirman Limited. As a condition precedent to the transaction, the charge on the said property were required to be released. Accordingly, the Company repaid the entire outstanding loan secured against the property.

Terms of repayment:

Particular of Loan	As at 31 March 2026	As at 31 March 2025	Rate of interest %	Installments starting on	Installments ending on	Repayment mode
Union Guaranteed Emergency Credit Line (UGECL-2) scheme from Union Bank of India Limited [refer note (c) below]	0.29	1.09	MCLR +0.60% or 9.25% whichever is lower p.a	31-Jul-2022	30-Jun-2026	Monthly
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from Punjab National Bank Limited [refer note (d) below]	-	0.57	MCLR +1% or 9.25% whichever is lower p.a.	30-Apr-2022	31-Mar-2026	Monthly
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from State Bank of India Limited [refer note (b) below]	-	1.19	MCLR +1% or 9.25% whichever is lower p.a.	30-Apr-2022	30-Sep-2025	Monthly
Term loan from IDFC First Bank Limited [refer note (a) below]	-	17.19	12 months MCLR	17-Apr-2026	16-Jan-2029	Quarterly

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Nature of security:

(a) IDFC Term loan

Term loan of Rs. Nil crore (31 March 2025: Rs. 17.19 crore) availed from IDFC First Bank is secured by:

1. Exclusive charge on commercial plot in Gurugram valued at Rs 51 crore,
2. First pari - passu charge on assets created out of this term loan;
3. Subservient charge on current assets and movable fixed assets;
4. DSRA equivalent to 2 quarter's principal and interest payment; and
5. Corporate guarantee of Shalimar Adhunik Nirman Limited.

(b) SBI - GECL 2

Working Capital Term loan (WCTL) of Rs. Nil crore (31 March 2025: Rs. 1.19 crore) availed from State Bank of India is secured by:

Primary - extension of Hypothecation 2nd charge on entire current assets of the Company on pari-passu basis with other banks under consortium banking arrangements.

Collateral

Extension of second charge on fixed assets of the company on pari- passu basis with other consortium members (by way of EM on Land & Bldg. and hypothecation charge on other fixed assets and plant and machinery situated at the Company's factory at Gat No.121 (1,850 sq mt), 126 (3,300 sq mt), 127 (16,500 sq mt), 132 (4,500 sq mt), 133 (20,500 sq mt), 134 (8,000 sq mt) & 141 (7,550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Company. (Total Land area: 62,200 sq mt).

Extension of EM pari passu 2nd charge with consortium members on the entire fixed assets and Land & Building at Survey Nos.1AIB (3.49 acres), 3/2 (3.32 acres), 3/1(1.50 acres), 15/1A(0.28 acre), 1511B (0.16 acre), 15/1C (0.14 acre), No.19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), Admeasuring Total Area : 8.89 acres,

Extension of pari passu 2nd charge with consortium on the Plant & Machinery of the Company at Howrah Factory.

Extension of Mortgage and Pari-passu 2nd charge with the consortium members (1st charge is with Religare Finvest) on the entire fixed assets at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad Land Admeasuring : 41,242 sq mt

(c) UBI GECL 2

Term loan of Rs. 0.29 crore (31 March 2025: Rs. 1.09 crore) availed from Union Bank of India and Union Bank of India (GECL) is secured by:

(i) 2nd charge on the immovable properties of the Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

(ii) 2nd charge on entire movable fixed assets of the Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

(d) PNB GECL 2

Working Capital Term loan (WCTL) of Rs. Nil crore (31 March 2025: Rs. 0.57 crore) availed from Punjab National Bank is secured by:

Primary - Hypothecation 2nd charge on the security of raw materials, SIP, finished goods stores, spares, receivables and all other current assets. Our charge would rank pari-passu first charge with other members of the consortium.

Collateral

(i) Pari passu 2nd hypothecation charge on factory land and building of the Company with other consortium members, situated at the Company's factory at Gat No.121 (1850 sq mt), 126 (3,300 sq mt), 127 (16,500 sq mt), 132 (4,500 sq mt), 133 (20,500 sq mt), 134 (8,000 sq mt) & 141 (7,550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Company. (total land area: 62,200 sq mt)

(ii) Pari passu 2nd charge with other consortium member banks over plant & machinery at the Nashik Plant.

(iii) Pari passu 2nd hypothecation charge with consortium on the plant and machinery of the Company at Howrah factory.

(iv) Pari passu second hypothecation charge with consortium members on the entire fixed assets and land and building at Survey Nos.1A1B (3.49 acres), 3/2 (3.32 acres), 3/1(1.50 acres), 15/1A(0.28 acre), 15/1B (0.16 acre), 15/1C (0.14 acre), No.19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu, Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), admeasuring total area: 8.89 acres.

(v) Pari passu second hypothecation charge with the consortium members on the entire fixed assets at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandrabad Admeasuring: 41,242 sq mt land.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Vehicle loans - Terms of repayment and nature of security #

Particular of Loan	As at 31 March 2026	As at 31 March 2025	Rate of interest %	Installments starting on	Installments ending on	Repayment mode
Vehicle loan from Tata Motors Finance Limited	-	0.08	10.04% p.a to 10.9% p.a	11-Nov-2020	11-Sep-2025	Monthly
Vehicle loan from Tata Motors Finance Solution Limited	0.02	0.24	10.05% p.a	15-Jun-2023	15-Apr-2026	Monthly

#Secured by vehicle financed

20 Non-current lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Lease liabilities (refer note 42)	3.82	7.73
Total	**3.82**	**7.73**

21 Other non-current financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	0.39	0.11
Total	**0.39**	**0.11**

22 Non-current provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Gratuity (refer note 41)	7.10	4.58
Total	**7.10**	**4.58**

23 Current borrowings

Particulars	As at 31 March 2026	As at 31 March 2025
Secured		
Working capital loans		
- From banks (cash credit, working capital demand loan facilities and bank overdraft)	118.13	102.94
Current maturities of long-term debt (refer note 19)	0.31	2.87
Factored receivables (refer note 12)	17.81	14.86
Loans repayable on due basis		
- Bill discounting	20.78	14.39
Total	**157.03**	**135.06**

Terms and conditions:

Cash credit and working capital demand loans from banks (repayable on demand)

Particular of Loan	Rate of interest	As at 31 March 2026	As at 31 March 2025
Working capital facilities	Ranges from 11.30% p.a. to 12.00% p.a.	85.27	72.05
Bank overdrafts	Ranges from 6.97% p.a. to 8.73% p.a.	32.85	30.89

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Particular of Loan	Rate of interest	As at 31 March 2026	As at 31 March 2025
State Bank of India Limited	6 Month MCLR +2.75% p.a	57.00	53.16
Punjab National Bank Limited	1 year MCLR + 7.85% p.a	11.64	11.22
Union Bank of India Limited	1 year MCLR + 2.75% (WC)FD rate + 1% (OD)	49.48	38.56

These cash credit and working capital demand loan facilities are secured by:

(1) Primary security

Hypothecation 1st charge on the security of raw materials, SIP, finished goods stores, spares, receivables and all other current assets. Our charge would rank pari-passu first charge with other members of the consortium.

(2) Collateral security:

(i) Pari Passu 1st Charge with other consortium member Banks on factory land and building of the company situated at at Gat No.121 (1850 sq mt), 126 (3300 sq mt), 127 (16500 sq mt), 132 (4500 sq mt), 133 (20500 sq mt), 134 (8000 sq rot) & 141 (7550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Company. (Total Land area: 62200 s .mt

(ii) Pari Passu 1st Charge with other consortium member Banks over lant & machine at the Nashik Plant.

(iii) Hypothecation & Pari passu 1st Charge other consortium member Banks on Plant & Machinery of the Company at Howrah Factory

(iv) Pari passu 1 st charge with consortium members on the entire fixed assets and Land & Building at Survey Nos. IA 1B (3.49 acres), 3/2 (3.32 acres), 3/1 (1.50 acres), 15/1A(O.28 acre), 15/1B (0.16 acre), 15/1C (0.14 acre), No. 19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu , Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), Admeasurin Total Area : 8.89 Acres.

(v) Pari-passu 1 st charge with the consortium members on the entire fixed assets at Al & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad Land Admeasurin : 41242 s mt.

Factored receivables are secured by:

Corporate guarantee given by Holding Company.

Bill discounting:

The Company has availed letter of credit ('LCs') facility from State Bank of India Limited and Punjab National Bank Limited for payment to its vendors, against which the monies were yet to be paid by the banks as at 31 March 2026 and 31 March 2025. Amount of facilities availed as at 31 March 2026 and 31 March 2025 are:

Particulars #	As at 31 March 2026	As at 31 March 2025
State Bank of India Limited	20.78	13.74
Punjab National Bank Limited	-	0.65

The repayment terms are 90 days for domestic LCs and 120 days for import LCs, both secured by the same collateral as the cash credit facility with these banks, as mentioned above.

24 Current lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Lease liabilities (refer note 42)	3.91	3.58
Total	**3.91**	**3.58**

25 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding dues to micro enterprises and small enterprises	19.44	33.40
Total outstanding dues to trade payables other than micro and small enterprises	155.97	158.72
Total	**175.41**	**192.12**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Notes:

(i) For balance payable to related parties, refer note 46.

(ii) Includes Rs. Nil (31 March 2025: 15.33 crore) in relation to supplier financing arrangements where operational suppliers of goods and services are initially paid by the lender while the Company continues to recognise liability till the settlement with the lender, which are normally effected within a period of 90 days.

Ageing of trade payables as at 31 March 2026 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	10.89	8.53	0.02	-	0.00	19.44
(ii)	Total outstanding dues to trade payables other than micro and small enterprises	51.31	54.95	40.64	7.15	0.29	1.63	155.97
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	Total	**51.31**	**65.84**	**49.17**	**7.17**	**0.29**	**1.63**	**175.41**

Ageing of trade payables as at 31 March 2025 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	25.38	7.87	-	0.01	0.14	33.40
(ii)	Total outstanding dues to trade payables other than micro and small enterprises	61.24	67.10	26.32	1.52	1.01	1.53	158.72
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	Total	**61.24**	**92.48**	**34.19**	**1.52**	**1.02**	**1.67**	**192.12**

The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

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

Particulars	As at 31 March 2026	As at 31 March 2025
Principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	19.44	33.40
Interest due on above remaining unpaid to any supplier as as at the end of each accounting year	0.33	0.11
Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	1.79	1.14
The amount of interest accrued and remaining unpaid at the end of each accounting year.	5.34	3.89
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a (deductible expenditure under section 23 of MSMED Act, 2006).	5.34	3.89

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

26 Other current financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Interest accrued but not due	0.01	0.01
Payable for capital expenditure	0.05	0.07
Employee related payables	4.99	9.91
Other payables*	23.33	6.73
Total	**28.38**	**16.72**

*Includes Rs. 22.62 crore (31 March 2025: 6.50 crore) award received in respect of Nashik plant fire (refer note 52).

27 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025
Contract balances		
Revenue received in advance	1.93	2.01
Statutory dues	2.08	2.33
Total	**4.01**	**4.34**

28 Current provisions

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Gratuity (refer note 41)	2.76	1.90
Compensated absences (refer note 41)	1.37	1.12
Total	**4.13**	**3.02**

29 Revenue from operations

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products	537.88	589.42
Rendering of services	28.29	7.88
Total (A)	**566.17**	**597.30**
Other operating revenues		
Scrap sale	2.77	1.71
Export incentive	0.09	0.05
Total (B)	**2.86**	**1.76**
Total operating income (A+B)	**569.03**	**599.06**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by timing and geography of recognition.

Revenue by time:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue recognised at point in time	537.88	589.42
Revenue recognised over time	28.29	7.88
	566.17	**597.30**

Revenue by geographical market:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from customers		
India	552.76	584.36
Outside India	13.41	12.94
	566.17	**597.30**

(b) Changes in contract liabilities balances during the year are as follows:

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is recognised as revenue at a point of time. Significant changes in the contract liabilities balance during the year as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Opening balance	**2.01**	**2.25**
Addition during the year	1.41	2.01
Revenue recognised during the year	(1.49)	(2.25)
Closing balance	**1.93**	**2.01**

(c) Contract balances

Particulars	Year ended 31 March 2026	Year ended 31 March 2025	1 April 2024
Trade receivables (refer note 12)	135.39	147.87	110.89
Revenue received in advance (refer note 27)	1.93	2.01	2.25
	137.32	**149.88**	**113.14**

(d) Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Contract price	647.44	703.40
Less: Discount and rebates	(81.27)	(106.10)
	566.17	**597.30**

(e) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

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(All amounts are in Rupees crore, unless otherwise stated)

There is no significant financing component in any transaction with the customers.

No customer (31 March 2025: One customer accounted for Rs. 63.49 crore) individually accounted for more than ten percent of total revenue.

30 Other income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest income from fixed deposit with banks	3.27	4.62
Net gain on foreign currency transactions and translation	0.04	0.19
Excess liabilities written back	-	3.92
Unwinding of premium on investments	0.00	0.01
Unwinding of discount on security deposit	0.06	0.01
Gain on lease modification	-	0.09
Profit on disposal of property, plant and equipment (net)	0.00	-
Interest income from loan to subsidiary	0.31	-
Rental Income from Investment Property (refer note 5.4)	0.06	-
Miscellaneous receipts	3.12	1.02
Total	**6.86**	**9.86**

31 Cost of materials consumed

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Cost of materials consumed	318.53	399.42
Total	**318.53**	**399.42**

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Inventories at the beginning of the year	39.76	33.36
Add: Purchases during the year	314.03	405.82
	353.79	**439.18**
Less: Inventories at the end of the year	(35.26)	(39.76)
Total	**318.53**	**399.42**

32 Purchases of stock-in-trade

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Purchases of stock-in-trade	37.83	45.88
Total	**37.83**	**45.88**

33 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Inventories at the end of the year		
Work-in-progress	6.14	5.71
Finished goods*	55.83	84.13
Total (A)	**61.97**	**89.84**
Inventories at the beginning of the year		
Work-in-progress	5.71	7.82
Finished goods*	84.13	72.13
Total (B)	**89.84**	**79.95**
Increase in inventory (B-A)	**27.87**	**(9.89)**

*Finished goods includes stock-in-trade

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

34 Employee benefits expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	61.25	72.87
Contribution to provident and other funds (refer note 41 (a))	2.78	3.47
Gratuity expenses (refer note 41 (b))	1.26	1.30
Compensated expenses (refer note 41 (c))	0.21	0.20
Share based payment expense (refer note 47)	0.68	0.32
Staff welfare expenses	0.86	1.12
Total	**67.04**	**79.28**

35 Finance cost

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest expenses		
-On cash credit and working capital demand loan	13.84	9.98
-On term loan	1.66	1.28
Other borrowing costs	7.07	4.60
Interest on lease liabilities	0.99	0.44
Interest others	1.70	1.25
Total	**25.26**	**17.55**

36 Depreciation, amortisation and impairment expenses

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation and impairment on property, plant and equipment (refer note 5.1)	15.17	12.73
Depreciation on investment property (refer note 5.4)	0.35	-
Depreciation on right-of-use assets (refer note 5.3)	2.80	2.04
Amortisation on intangible assets (refer note 6.1)	1.21	0.98
Total	**19.53**	**15.75**

37 Other expenses

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Consumption of stores and spare parts	1.38	2.01
Power and fuel	4.80	6.38
Rent (refer note 42)	6.06	6.41
Repairs to building	0.44	0.09
Repairs to plant and machinery	2.35	2.63
Repairs - others	3.47	2.49
Insurance	2.59	2.48
Rates and taxes	2.03	0.76
Printing and stationery	0.56	0.57
Communication expenses	0.43	1.20
Payment to auditors (refer note below)	0.77	0.73
Warehouse management charges	0.51	0.77
Travelling expenses	9.63	11.68
Application charges	27.69	7.77

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Freight	43.98	44.60
Allowance for expected credit loss	0.73	0.87
Loss on disposal of property, plant and equipment (net)	-	0.00
Marketing expenses	7.46	18.03
Commission on Sales	0.87	0.98
Contractual labour charges	15.75	19.99
Carrying and forwarding agent	2.35	3.90
Legal and professional charges	3.53	3.36
Recruitment expenses	0.14	0.13
Other welfare expenses	0.69	0.99
Miscellaneous expenses	0.36	2.22
Total	**138.57**	**141.04**

Note		
Payment to statutory auditors		
Statutory audit fee	0.75	0.52
Certification fee and other services	-	0.16
Reimbursement of expenses	0.02	0.05
Total	**0.77**	**0.73**

38 Tax expense

Particulars	As at 31 March 2026	As at 31 March 2025
A Income tax recognised in the Statement of Profit and Loss		
Current tax	-	-
Adjustment of tax relating to earlier years	-	-
Deferred tax (credit)/charge	-	
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	-	-

B Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

Particulars	As at 31 March 2026	As at 31 March 2025
Accounting profit before income tax	**(63.34)**	**(80.11)**
Tax expense at statutory income tax rate of 31.20% (31 March 2025: 31.20%)	(19.76)	(24.99)
Non-deductible expenses	0.98	0.53
Unrecognised deferred tax asset on tax losses and unabsorbed depreciation*	18.78	24.46
Income tax expense reported in the Standalone Statement of Profit and Loss	-	-

*As at 31 March 2026 and 31 March 2025, the Company is having significant carry forward losses and unabsorbed depreciation under tax laws. Therefore, in the absence of convincing evidences that sufficient taxable profits will be available against which such carry forward losses and unabsorbed depreciation shall be utilised, the Company has not recognised deferred tax assets.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

C Deductible temporary differences for which no deferred tax asset is recognised in the Standalone Balance Sheet:

Particulars	Year of expiry	As at 31 March 2026	As at 31 March 2026 Tax impact @ 31.20%	As at 31 March 2025	As at 31 March 2025 Tax impact @ 31.20%
Tax Losses	31-Mar-26	-	-	59.43	18.54
	31-Mar-27	71.92	22.44	71.92	22.44
	30-Mar-28	18.11	5.65	18.11	5.65
	31-Mar-29	5.39	1.68	5.39	1.68
	31-Mar-30	43.91	13.70	43.91	13.70
	31-Mar-31	20.44	6.38	20.44	6.38
	30-Mar-32	50.23	15.67	50.23	15.67
	31-Mar-33	49.44	15.43	-	-
Total tax losses		**259.44**	**80.95**	**269.43**	**84.06**
Unabsorbed depreciation	No expiryperiod	100.47	31.35	90.97	28.38
Total		**359.91**	**112.30**	**360.40**	**112.44**

39 Earnings per share (EPS)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(a) Net loss attributable for equity shareholders	(63.34)	(80.11)
(b) Weighted average number of equity shares outstanding during the year for calculating basic EPS (nos.)	8,37,11,178	8,37,11,178
(c) Effect of potential dilutive equity shares on employee stock option outstanding (nos.)*	-	-
(d) Weighted average number of Equity shares outstanding during the year for calculating diluted EPS (nos.)	8,37,11,178	8,37,11,178
Face value per equity share (Rs.)	2	2
Basic earnings per share (Rs.)	(7.57)	(9.57)
Diluted earnings per share (Rs.)	(7.57)	(9.57)

*Potential equity shares have not been considered for the computation of diluted EPS as they are anti-dilutive in nature.

40 A. Contingent liabilities and claims against the Company

Particulars	As at 31 March 2026	As at 31 March 2025
Contingent liabilities, to the extent not provided for in respect of:		
a. Undertakings and letter of credit		
Letter of credit	14.50	16.91
b. Demands		
Sales tax	1.35	1.35
Goods and service tax	3.56	2.52
Income tax*	5.04	5.04
Other legal matters#	14.72	14.72

* It includes an order u/s 263 of the Income Tax Act, 1961, received by the Company during financial year (FY) 2021-22 from the Deputy Commissioner of Income Tax for the AY 2015-16, disallowing provision for freight of Rs. 2.58 crore, thereby decreasing returned loss. However, there will be no additional demand on account of this addition of income as the Company has sufficient carry forward losses to adjust it. The Company has filed an appeal with Commissioner of Income Tax (Appeals) against the order.

It includes exposure towards litigation/disputes relating to various labour cases, eviction matters, money recovery cases etc.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

The Company has reviewed all its pending litigations and proceedings and has adequately considered provision made and disclosed as contingent liabilities as applicable, in these standalone financial statements. The management believes that with respect to litigation disclosed as contingent liability will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

B. Commitments

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances of Rs. Nil crore (31 March 2025 Rs. 6.86 crore)	-	23.80
(ii) Uncalled liability on partly paid-up shares for investment in Shalimar Adhunik Nirman Limited*	0.41	0.41
(iii) Guarantees issued by the Company's bankers on behalf of the Company in favour of its vendors	9.77	9.41

*Uncalled liability is pertaining to the equity shares which were acquired by the Company as per the order of Hon'ble High Courts of Calcutta and Delhi under the Scheme of arrangement under Section 391-394 of the Companies Act, 1956 between Shalimar Paints Limited and Shalimar Adhunik Nirman Private Limited and their respective shareholders and creditors, for transfer of its Real Estate Division to the subsidiary company, Shalimar Adhunik Nirman Limited. These equity shares are partly paid up @ Re.1 per share received on account of share application and share allotment. Balance Rs. 9 per share on 4,50,000 such equity shares is unpaid till date.

41 Gratuity and other post employment benefit plans :

a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under:Employer's contribution to provident and other funds Rs. 2.78 crore (31 March 2025: Rs. 3.47 crore)

b) Defined benefit plan (Gratuity)

The Company operates a defined benefit gratuity plan for its employees in India in accordance with the Payment of Gratuity Act, 1972.

c) Other benefits (Compensated absences)

The employees of the Company are entitled to leaves as per the leave policy of the Company. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation. The expense related to compensated absences are recognised in standalone statement of profit and loss as employee benefits expense. As the Company does not have an unconditional right to defer settlement for any of the leave obligations, it has disclosed the amount as current liabilities.

The Government of India, on 21 November 2025, notified implementation of four new labour codes — Code on Wages (2019), Industrial Relations Code (2020), Code on Social Security (2020), and Occupational Safety, Health and Working Conditions Code (2020) (hereinafter referred to as "the New Labour Codes").

The New Labour Codes prescribe an uniform definition of the term 'wages', which is also relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, wages means all remuneration including basic pay, dearness allowance and retaining allowance but does not include certain specified items forming part of remuneration and in the event the quantum of those specified items exceed 50% of total remuneration, such excess is deemed to be considered as wages.

The revised definition of wages has resulted in an increase in gratuity obligation of Rs. 4.29 crore and Rs. 0.31 crore in respect of compensated absences in respect of services rendered in prior periods, and the Company has treated such incremental impact as past service cost and recognised under 'Exceptional Items' immediately in the statement of profit and loss in the current year in accordance with Ind AS 19, Employee Benefits.

The Company will continue to monitor finalisation of rules and clarifications from government and would provide appropriate accounting effect on the basis of such developments as needed.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet:

	Particulars	As at 31 March 2026		As at 31 March 2025	
		Gratuity	Compensated absences	Gratuity	Compensated absences
I	**Change in present value of obligation during the year**				
	Present value of obligation at the beginning of the year	6.52	1.12	7.97	1.19
	Current service cost	0.80	0.41	0.72	0.32
	Past service cost	4.29	0.31	-	-
	Interest cost	0.45	0.08	0.58	0.09
	Actuarial (gain)/loss on obligation	(1.04)	(0.28)	(1.64)	(0.21)
	Benefits paid	(1.05)	(0.27)	(1.11)	(0.27)
	Present value of obligation as at the end of the year	**9.97**	**1.37**	**6.52**	**1.12**
II	**Change in fair value of plan assets during the year**				
	Plan assets at the beginning of the year, at fair value	0.04	-	0.04	-
	Actual return on plan assets	0.07	-	0.00	-
	Plan assets at the end of the year, at fair value	**0.11**	**-**	**0.04**	**-**
III	**Reconciliation of present value of defined benefit obligation and fair value of plan assets**				
1	Present value of obligation as at year-end	9.97	1.37	6.52	1.12
2	Fair value of plan assets at year -end	(0.11)	-	(0.04)	-
3	**Net liability recognised in Balance Sheet**	**9.86**	**1.37**	**6.48**	**1.12**
IV	**Amount to be recognised in the Statement of Profit and Loss**				
	<u>-Under head Employee benefit expense</u>				
1	Current service cost	0.80	0.41	0.72	0.32
2	Interest cost	0.45	0.08	0.58	0.09
3	Expected return on plan assets	-	-	-	-
4	Actuarial loss	-	(0.28)	-	(0.21)
	<u>-Under head exceptional item</u>				
1	Past service cost	4.29	0.31	-	-
	Net cost recognised	**5.54**	**0.52**	**1.30**	**0.20**

	Particulars	Year ended 31 March 2026	Year ended 31 March 2025
		Gratuity	Gratuity
V	**Amount recognised in Other Comprehensive Income**		
	Actuarial gain arising from changes in demographic assumptions	-	(1.28)
	Actuarial loss/(gain) arising from changes in financial assumptions	(0.21)	0.20
	Actuarial gain arising from experience adjustment	(0.83)	(0.56)
	Actuarial gain /(loss) for the year on Asset	(0.07)	0.00
	Net actuarial gain	**(1.11)**	**(1.64)**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Particulars		As at 31 March 2026		As at 31 March 2025	
		Gratuity	Leave encashment	Gratuity	Leave encashment
VI	**Division of DBO at the end of the year**				
1	Current liability	2.76	1.37	1.90	1.12
2	Non-current liability	7.10	-	4.58	-

Particulars		As at 31 March 2026		As at 31 March 2025	
		Gratuity	Leave encashment	Gratuity	Leave encashment
VII	**Actuarial assumptions (principle)**				
1	Discount rate	7.70%	7.70%	6.93%	6.93%
2	Mortality table	100 % of IALM (2012 - 14)	100% of IALM (2012 - 14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)
3	Salary escalation*	9%	9%	9.00%	9.00%
4	Withdrawal rate	24%	24%	24%	24%

*The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

VIII	**Sensitivity analysis***		**As at 31 March 2026**		**As at 31 March 2025**	
			Impact on liabilities		**Impact on liabilities**	
	Assumption	**Changes in assumption**	**Increase**	**Decrease**	**Increase**	**Decrease**
	Gratuity					
	Discount rate	+/- 0.50% movement	(0.14)	0.14	(0.29)	0.31
	Future salary growth	+/- 0.50% movement	0.14	(0.13)	0.31	(0.28)
	Leave encashment					
	Discount rate	+/- 0.50% movement	(0.02)	0.02	(0.05)	0.05
	Future salary growth	+/- 0.50% movement	0.02	(0.02)	0.05	(0.05)

*The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

IX Description of risk exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks as follows -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determined the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The plan exposes the Company to the risk of decrease in interest rates. A decrease in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk - This is the risk that the Company is not able to meet the short term benefit payout. This may arise due to non-availability of enough cash and cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The Company has used certain mortality and attrition assumptions in valuation of the liability. The company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

E) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

X The following are maturity profile of defined benefit obligations (discounted) in future years (before adjusting fair value of plan assets):

Years	Gratuity	
	31 March 2026	31 March 2025
0 to 1 year	2.76	1.90
1 to 2 years	1.98	1.23
2 to 3 years	1.40	0.87
3 to 4 years	1.07	0.67
4 to 5 years	0.71	0.49
5 to 6 years	0.61	0.32
6 years onwards	1.44	1.04

XI The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	31 March 2026	31 March 2025
Funds managed by insurer	100%	100%

XII Expected contribution for the next annual reporting period

Particulars	Gratuity		Leave encashment	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Service cost	1.26	0.79	0.97	0.76
Net interest cost	0.75	0.45	0.11	0.08
Expected expense for the next annual reporting period	**2.01**	**1.24**	**1.08**	**0.84**

*Expected contribution to the plan assets is Nil.

42 Lease related disclosures as lessee

The Company's lease asset class primarily consists of leases for land, corporate office, warehouses and equipments. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate ranging 10.70-12.16% (31 March 2025: 10.70-12.16%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities.

(i) Lease liabilities are presented in the Balance Sheet as follows:

Particulars	As at 31 March 2026	As at 31 March 2025
Current	3.91	3.58
Non-current	3.82	7.73
Total	**7.73**	**11.31**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(ii) The following are amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Depreciation expense of right-of-use assets (refer note 36)	2.80	2.04
Interest expense on lease liabilities (refer note 35)	0.99	0.44
Rent expense* (refer note 37)	6.06	6.41
Total	**9.85**	**8.89**

*Rent expense for short-term leases and not included in the measurement of lease liability.

(iii) The right-of-use assets relating to leases are as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Balance at the beginning of the year	26.99	17.92
Add: Addition on account of new leases entered during the year	-	12.62
Less: Disposal/ adjustment due to modification in leases	-	(1.51)
Less: Depreciation expenses charged on right-of-use assets	(2.80)	(2.04)
Balance at the end of the year	**24.19**	**26.99**

(iv) Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the standalone financial statements.

(v) Maturity of lease liabilities

Future minimum lease payments for year ended 31 March 2026 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	4.49	0.58	3.91
Later than 1 year not later than 5 years	4.00	0.18	3.82
Later than 5 years	-	-	-
Total	**8.49**	**0.76**	**7.73**

Future minimum lease payments for year ended 31 March 2025 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	4.57	0.99	3.58
Later than 1 year not later than 5 years	8.49	0.76	7.73
Later than 5 years	-	-	-
Total	**13.06**	**1.75**	**11.31**

Total cash outflow for principal element of lease liabilities for the year ended 31 March 2026 was Rs. 3.58 crore (31 March 2025 Rs.2.04 crore).

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

43 Fair value measurements

A Financial instruments by category

Financial Assets

Particulars	As at 31 March 2026			As at 31 March 2025		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
1. Financial assets						
Trade receivables	135.39	-	-	147.87	-	-
Cash and cash equivalents	7.08	-	-	7.00	-	-
Other bank balances	39.95	-	-	38.41	-	-
Loans	5.51	-	-	-	-	-
Other financial assets	6.39	-	-	15.65	-	-
(A)	**194.32**	**-**	**-**	**208.93**	**-**	**-**
2. Financial liabilities						
Borrowings	157.03	-	-	152.55	-	-
Trade payables	175.41	-	-	192.12	-	-
Lease liabilities	7.73	-	-	11.31	-	-
Other financial liabilities	28.77	-	-	16.83	-	-
(B)	**368.94**	**-**	**-**	**372.81**	**-**	**-**

Fair value hierarchy

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, other financial assets, trade payables, borrowings, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 which maximise the use of observable market data and rely on as little as possible on the entity specific estimates for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2026 and 31 March 2025:

	As at 31 March 2026			As at 31 March 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments:						
Unquoted equity shares	-	-	0.00	-	-	0.00
	-	**-**	**0.00**	**-**	**-**	**0.00**

44 Financial risk management

The Company's principle financial liabilities comprise of borrowings, lease liabilities, trade payables and other payables. The Company's principal financial assets include trade and other receivables, loans, investments and cash and bank balances that it derives directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

A Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Company primarily sells paints and coatings to customers operating in India and outside India. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Considering the nature of trade receivables, and entity's history of credit with those receivables, entity has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high external rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans and securities deposits

The Company provides loans to its employees/subsidiaries and furnish security deposit to various parties for electricity, communication, etc. The Company considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

Investments

The Company has invested in unquoted equity instruments and preference shares of its subsidiaries, and other company. The management actively monitors the operation of subsidiaries and other company which affect investments. The Company does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	As at 31 March 2026	As at 31 March 2025
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Cash and cash equivalents	7.08	7.00
Other bank balances	39.95	38.41
Loans	5.51	-
Other financial assets	6.39	15.65
	58.93	**61.06**
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	135.39	147.87
	135.39	**147.87**

Provision for expected credit loss

(i) Financial assets for which loss allowance is measured using 12 months expected credit loss

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

(ii) Financial assets for which loss allowance is measured using life time expected credit loss

For trade receivables, the Company follows the approach of a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Ageing analysis of trade receivables

The ageing analysis of the trade receivables (net) before adjustment of expected credit loss provision of Rs. 7.73 crore (31 March 2025: Rs. 7.01 crore) as of the reporting date is as follows:

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
Trade receivables (gross)	96.32	25.51	8.54	5.00	4.22	3.53	143.12
Less: Allowance for expected credit loss	1.93	0.32	0.49	1.00	1.76	2.23	7.73
Trade receivables (net)	94.39	25.19	8.05	4.00	2.46	1.30	135.39
Expected credit loss %	2.00%	1.27%	5.78%	19.95%	41.60%	63.26%	5.40%

Particulars	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025							
Trade receivables (gross)	119.13	21.66	4.17	6.23	2.05	1.64	154.88
Less: Allowance for expected credit loss	1.60	0.38	0.18	1.46	1.75	1.64	7.01
Trade receivables (net)	117.53	21.28	3.99	4.77	0.30	-	147.87
Expected credit loss %	1.34%	1.77%	4.26%	23.41%	85.39%	100.00%	4.53%

Movement in expected credit loss allowance on trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	7.01	5.90
Provided during the year	0.73	0.87
Reversal/adjustment during the year	(0.01)	0.24
Balance at the end of the year	**7.73**	**7.01**

B Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

Expected maturity for financial liabilities having contractual undiscounted maturities

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2026					
Borrowings	157.03	118.12	38.91	-	**157.03**
Lease liabilities	7.73	-	4.49	4.00	**8.49**
Trade and other payables	175.41	-	175.41	-	**175.41**
Other financial liabilities	28.77	-	28.38	0.39	**28.77**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2025					
Borrowings	152.55	102.94	34.58	20.73	**158.25**
Lease liabilities	11.31	-	4.57	8.49	**13.06**
Trade and other payables	192.12	-	192.12	-	**192.12**
Other financial liabilities	16.83	-	16.72	0.11	**16.83**

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest risk and commodity price risk which results from its operating, investing and financing activities.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest rate risk exposure

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	157.04	122.98
Total borrowings	**157.04**	**122.98**

(b) Sensitivity on variable rate borrowings

Particulars	Impact on profit/(loss) before tax and equity	
	For the year ended 31 March 2026	For the year ended 31 March 2025
INR borrowings		
Interest rate increase by 50 basis points	(0.79)	(0.61)
Interest rate decrease by 50 basis points	0.79	0.61

(c) Commodity price risk

Commodity price risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Company is exposed to the movement in price of key raw materials in domestic and international markets.

(d) Other price sensitivity

The Company is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

45 Capital risk management

The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued share capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce the capital, as the case may be.

Particulars	As at 31 March 2026	As at 31 March 2025
Total borrowings (including lease liabilities)	164.76	163.86
Less: Cash and cash equivalents, bank balances and deposits including interest accrued thereon	49.69	55.78
Net debt	**115.07**	**108.08**
Total equity	237.66	299.21
Capital and net debt	**352.73**	**407.29**
Gearing ratio	32.62%	26.54%

46 Related party transactions

A List of related parties and relationships with whom transactions were entered during the year

Name of related party	Country of incorporation	Ownership interest	
		31 March 2026	31 March 2025
(a) Ultimate Holding Company			
1 Hella Infra Market Limited	India	52.85%	52.85%
(b) Subsidiary companies			
1 Shalimar Adhunik Nirman Limited (SANL)	India	99.99%	99.99%
2 IM Inicio Projects Private Limited (formerly known as Eastern Speciality Paints & Coatings Private Limited)	India	100%	100%

(c) Key managerial personnel (KMP)	
1 Mr. Ashok Kumar Gupta	Managing Director (Ceased w.e.f. 02 July 2024)
2 Mr. C. Venugopal*	COO & Whole-time Director (Appointed w.e.f. 23 July 2024 till 04 March 2026)
3 Mr. Kuldip Raina	Managing Director & CEO (Appointed w.e.f. 10 April 2025)
4 Mr. Abhyuday Jindal	Non-Executive Non-Independent Director (Ceased w.e.f. 15 July 2024)
5 Dr. Rajeev Uberoi	Non-Executive Independent Director
6 Mr. Souvik Pulakesh Sengupta	Non-Executive Non-Independent Director
7 Mr. Aaditya Gajendra Sharda	Non-Executive Non-Independent Director (Appointed w.e.f. 11 April 2024)
8 Mr. Vijay Kumar Sharma	Non-Executive Independent Director (Ceased w.e.f. 04 October 2023 and re-appointed w.e.f. 23 July 2024)
9 Mr. Sanjiv Garg	Non-Executive Independent Director (Ceased w.e.f. 09 August 2024)
10 Ms. Shan Jain	Non-Executive Independent Director
11 Mr. Atul Rasiklal Desai	Non-Executive Independent Director
12 Mr. Sachin Naik	Chief Financial Officer (Ceased w.e.f. 30 May 2026)
13 Ms. Shikha Rastogi	Company Secretary (Ceased w.e.f. 02 December 2024)
14 Ms. Snehal Saboo	Company Secretary (Appointed w.e.f. 10 February 2025)

*Mr. C Venugopal has resigned from the position of Whole-time director w.e.f 04 March 2026. He continues to serve the Company in the position of Chief Operating Officer (COO).

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(d)	**Relative of KMP**	
1	Ms. Minal Shrikant Naik	Mother of Mr. Sachin Naik
2	Ms. Rohini Venugopal	Spouse of Mr. C. Venugopal
3	Abhay Kumar HUF	Relative of Ms. Shikha Rastogi
(e)	**Entities in which a KMP/ director or his/her relative is a member or director**	
1	Hella Infra Market Retail Private Limited	Other related party
2	Hella Chemical Market Private Limited	Other related party
3	RDC Concrete (India) Limited	Other related party
4	Amstard Consumers Private Limited	Other related party
5	Jindal Stainless Limited	Other related party

B Related party transaction

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Sale of products		
Jindal Stainless Limited	2.38	12.59
Hella Infra Market Retail Private Limited	(0.00)	(0.06)
Hella Infra Market Limited	0.34	1.22
IM Inicio Projects Private Limited	1.15	-
Purchase of products		
Hella Chemical Market Private Limited	-	6.70
Hella Infra Market Limited	0.11	0.81
Hella Infra Market Retail Private Limited	0.12	0.11
Amstard Consumers Private Limited	0.78	-
Rent		
Hella Infra Market Retail Private Limited	-	0.23
Jindal Stainless Limited	-	0.01
Directors sitting fees (Short term employee benefits)		
Mr. Rajeev Uberoi	0.09	0.09
Mr. Atul Rasiklal Desai	0.04	0.04
Mr. Sanjiv Garg	-	0.03
Mr. Vijay Kumar Sharma	0.06	0.03
Ms. Shan Jain	0.06	0.06
Car hiring		
Ms. Minal Shrikant Naik	0.07	0.06
Abhay Kumar HUF	-	0.01
Ms. Rohini Venugopal	0.04	-

Notes to the Standalone Financial Statements for the year ended 31 March 2026
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Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Remuneration paid to KMPs (Short term employee benefits)		
Mr. C Venugopal	1.06	1.79
Mr. Ashok Kumar Gupta	-	0.64
Mr. Kuldip Raina	1.23	-
Mr. Sachin Naik	0.80	1.09
Ms. Shikha Rastogi	-	0.26
Ms. Snehal Saboo	0.18	0.03
Unwinding of premium on investments		
Shalimar Adhunik Nirman Limited	0.00	0.01
Loan to subsidiary		
Shalimar Adhunik Nirman Limited	0.07	0.01
IM Inicio Projects Private Limited	5.51	0.00
Repayment of Loan to subsidiary		
Shalimar Adhunik Nirman Limited	2.00	-
Reimbursement of expenses incurred by company		
Mr. C Venugopal	-	0.00
Mr. Ashok Kumar Gupta	-	0.01
Mr. Sachin Naik	0.01	0.02
Ms. Shikha Rastogi	0.00	0.00
Ms. Snehal Saboo	-	0.00

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salary payable at the end of the year		
Mr. C Venugopal	-	0.11
Mr. Sachin Naik	-	0.07
Ms. Snehal Saboo	-	0.01
Investments (net of provision)		
Shalimar Adhunik Nirman Limited	0.59	0.60
IM Inicio Projects Private Limited	0.02	0.02
Loan Receivable from subsidiaries		
Shalimar Adhunik Nirman Limited	6.34	8.27
IM Inicio Projects Private Limited	5.51	0.01
Receivables/(payables)		
Jindal Stainless Limited - Sale	3.83	2.16
Hella Infra Market Retail Private Limited - Sale	0.09	0.26
Hella Infra Market Retail Private Limited - Revenue received in advance	-	(0.17)
IM Inicio Projects Private Limited - Revenue received in advance	(0.12)	-
Hella Infra Market Retail Private Limited - Purchase	-	(0.01)
Hella Chemical Market Private Limited - Purchase	(0.32)	(1.59)
Hella Infra Market Private Limited - Purchase	(0.11)	-
Amstard Consumers Private Limited - Purchase	(0.06)	-
Hella Infra Market Limited - Sale	0.01	1.20

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Notes:

1 Related party relationship is as identified by the management and relied upon by the auditors.

2 The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

3 The remuneration to the KMP's does not include the provision made for gratuity and leave benefit as these are determined for the Company as a whole.

4 Refer note 19 and 23 for guarantees and securities given by the related parties in respect of borrowings of the Company.

5 Refer note 40B for uncalled liability on partly paid-up shares for investment in subsidiary.

6 Transaction with Key management personnel does not include post-employment benefits based on actuarial valuation as it is done for the Company as a whole .

47 Share based payments (Equity settled)

A The ESOP 2022 scheme was approved by the Board of Directors and the shareholders on 10 August 2022 and 29 September 2022 respectively. As per the ESOP 2022 scheme, options have been granted to the eligible employees of the Company which will vest over the period of four years at the end of 1 year from the grant date. The relevant details of the scheme are as follows:

I Option movement during the year ended:

Particulars	31 March 2026		31 March 2025	
	No. of options	Weighted average exercise price (in Rs.)	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	7,76,130	139.20	13,11,140	139.20
Options granted during the year	-	-	-	-
Options lapsed during the year	3,79,310	-	5,35,010	-
Options exercised during the year	-	-	-	-
No. of options outstanding at the end of the year	3,96,820	139.20	7,76,130	139.20
No. of options exercisable at the end of the year	-	-	-	-

II Weighted average remaining contractual life

Particulars	31 March 2026		31 March 2025	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
Weighted average remaining contractual life	3,96,820	3.68	7,76,130	1.08

III Method and assumptions used to estimate the fair value of options granted:

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

The assumptions used in the model are as follows:

Variables	31 March 2026	31 March 2025
	Weighted average	Weighted average
1. Risk-free rate of return	6.99%-7.14%	6.99%-7.14%
2. Time to maturity	1.25 to 4.25 years	1.25 to 4.25 years
3. Expected volatility	35.49%-50.56%	35.49%-50.56%
4. Expected divided yield	-	-
5. Exercise price (Rs.)	139.20	139.20
6. Price of the underlying share in market at the time of the option grant (Rs.)	147.50	147.50

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

IV Effect of employee stock option scheme on the Statement of Profit and Loss and Balance Sheet

Particulars	31 March 2026	31 March 2025
Employee option plan expense	0.68	0.32
Share options outstanding at the end of the period	1.47	1.77

48 Financial ratios

Ratio	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	% change	Reason for variance if more than 25%
Current ratio (in times)	Current assets	Current liabilities	0.82	1.00	-18%	Not applicable
Debt-equity ratio (in times)	Total debt**	Shareholders' equity [equity share capital + other equity]	0.69	0.55	27%	Change in ratio is primarily due to decrease in other equity.
Debt service coverage ratio (in times)	Net profit before tax+ depreciation+finance cost	Debt service [current maturities of long-term borrowings and lease liabilities+interest expense on lease liability]	(0.71)	(2.96)	-76%	Change in ratio is primarily due to change in earning before interest, tax and depreciation.
Return on equity (in %)	Net profit after tax	Average shareholder's equity	-23.60%	-23.68%	0%	Not applicable
Inventory turnover ratio (in times)	Cost of goods sold	Average inventories	3.26	3.48	-6%	Not applicable
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.02	4.63	-13%	Not applicable
Trade payables turnover ratio (in times)	Net purchases	Average trade payables	2.09	2.61	-20%	Not applicable
Net capital turnover ratio (in times)	Revenue from operations	Average working capital	(17.48)	11.83	-248%	Change in ratio is primarily due to decrease in the revenue from operations and working capital turning negative.
Net profit/ (loss)	Net profit/ (loss)	Revenue from operations	-11.13%	-13.37%	-17%	Not applicable
ratio (in %)	after tax					
Return on capital employed (in %)	Earnings before interest and taxes	Capital employed [Tangible net worth* + total debt** + deferred tax liabilities]	-9.46%	-13.51%	-30%	Change is ratio is primarily due to change in earnings before interest and taxes.
Return on investment (in %)	Interest income on fixed deposit with banks carried at amortised cost	Weighted average balance in deposits	7.00%	6.75%	4%	Not applicable

*Tangible net worth= Equity share capital + other equity

** Total debt=Non-current and current borrowings + non-current and current lease liabilities

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

49 Details of disclosure pursuant to Regulation 34 of SEBI (Listing, Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under section 186(4) of the Act:

Particulars	31 March 2026		31 March 2025	
	Shalimar Adhunik Nirman Limited	IM Inicio Projects Private Limited	Shalimar Adhunik Nirman Limited	IM Inicio Projects Private Limited
Investments				
Investment at the beginning of the year	0.60	0.02	0.59	0.02
Investment at the end of the year	0.59	0.02	0.60	0.02

No corporate guarantee has been given on behalf of the subsidiary companies.

50 Net debt reconciliation

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current borrowings (including current maturities)	(0.31)	(20.36)
Current borrowings	(123.87)	(101.30)
Cash and cash equivalents, bank balances and deposits including interest accrued thereon and bank over draft*	16.84	24.89
Lease liabilities	(7.73)	(11.31)
Net debt	**(115.07)**	**(108.08)**

*Bank overdraft has been excluded from current borrowings and considered as part of cash & cash equivalent inline with cash flow statement.

Particulars	Lease liabilities	Cash and cash equivalents, bank balances and deposits including interest accrued thereon	Non-current borrowings (including current maturities)	Current borrowings	Total
Balance as at 01 April 2024	(2.68)	75.81	(32.42)	(42.34)	**(1.63)**
Cash flows (net)	-	(50.92)	-	-	**(50.92)**
New leases	(12.27)	-	-	-	**(12.27)**
Disposal of leases	1.60	-	-	-	**1.60**
Repayment of lease liabilities	2.04	-	-	-	**2.04**
Proceeds from borrowings (net of transaction fees)	-	-	-	(58.96)	**(58.96)**
Repayment of borrowings	-	-	12.06	-	**12.06**
Interest expense	(0.44)	-	(1.28)	(14.58)	**(16.30)**
Interest expense paid	0.44	-	1.28	14.58	**16.30**
Balance as at 31 March 2025	**(11.31)**	**24.89**	**(20.36)**	**(101.30)**	**(108.08)**
Cash flows (net)	-	(8.05)	-	-	**(8.05)**
Repayment of lease liabilities	3.58	-	-	-	**3.58**
Proceeds from borrowings (net of transaction fees)	-	-	-	(22.57)	**(22.57)**
Repayment of borrowings	-	-	20.05	-	**20.05**
Interest expense	(0.99)	-	(1.66)	(20.91)	**(23.56)**
Interest expense paid	0.99	-	1.66	20.91	**23.56**
Balance as at 31 March 2026	**(7.73)**	**16.84**	**(0.31)**	**(123.87)**	**(115.07)**

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

51 Segment information

The business activities of the Company predominantly fall within a single reportable business segment, i.e. manufacturing of paints within India and sale of paints within India and outside India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 'Operating Segments'. The aforesaid is in line with review of operating results by the chief operating decision maker.

52 The Company's manufacturing plant situated at Nashik got a massive fire on 19 November 2016, which caused extortionate damage to the Company, both on account of loss of assets i.e. building, plant and machinery, inventory etc. vis-à-vis loss of the profit during the period.

The Company had taken two insurance policies from United India Insurance Company Limited viz. Loss of Profit Policy and Reinstatement Policy and had filed the claims against those policies with the insurance company. The status of those claims is as under:

(i) The Company had claimed Rs. 32.90 crore in respect of Nashik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their survey report at Rs. 22.14 crore (loss of production method) and at Rs. 22.63 crore (turnover method) and thereafter further reduced the amount to Rs. 18.32 crore, which has been received as an interim payment during earlier financial years. Aggrieved with the assessment being not fully indemnified, the Company invoked arbitration and has filed its claim of Rs. 12.57 crore before the Arbitral Tribunal, which is currently pending for adjudication.

(ii) The Company had claimed Rs. 59.35 crore in respect of Nashik Plant fire under Reinstatement Policy, and the surveyor appointed by the insurer had assessed the claim vide their survey report at Rs. 21.89 crore. Against the aforesaid claim, the Company had received total Rs. 20.91 crore in earlier financial years. Aggrieved with the assessment being not fully indemnified, the Company invoked arbitration and had filed its claim of Rs. 37.93 crore before the Arbitral Tribunal. On 5 January 2024, the arbitrator awarded Rs. 22.01 crore to the Company against the claim under the Reinstatement Policy. The insurers are appealing this favourable order at the Delhi High Court, and the entire award was deposited as a money decree. By order dated 22 October 2024, the Company received the right to release the entire award in favor of the decree-holder, subject to furnishing security to the satisfaction of the Registrar General, Delhi High Court. The Company has realised the entire award by providing the necessary security. The Company has not recognized this as income and has shown it as payable under Other Financial Liabilities until the case is finalized.

53 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07 May 2009 requiring the Company to give immovable property to the extent of Rs. 4.50 crore as security in favour of Tara Properties Private Limited (the landlord of property at 13, Camac Street, Kolkata). The Company has given portion of its land at Goaberia (adjacent to Howrah plant), as security. Refer note 5.1(e).

54 Additional regulatory information not disclosed elsewhere in the financial information

a The Company has used the borrowings from banks and financial institutions for the specific purposes for which it were taken at the balance sheet date (refer note 19 and 23).

b The Company has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the current or previous year (refer notes 5 and 6).

c The Company has not traded or invested in crypto currency or virtual currency during the current and previous year (refer note 8).

d The Company has not granted loans or advances in the nature of loans to its promoters, directors, KMPs and other related parties (as defined under Companies Act, 2013), either severally or jointly with any other person other than referred in note 46.

e No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

f **Reconciliation of amount as per quarterly returns shared with banks and books:**

(i)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2025	Punjab National Bank Limited, State Bank of India Limited, Union Bank of India Limited	Refer note 19 and 23	Inventories	125.51	125.16	0.35	Difference is due to book closure entries which pertain to adjustment of Rs. 0.35 crore.
30 September 2025				122.96	125.27	(2.31)	Difference is due to book closure entry which pertains to provision of Rs. 2.00 crore and adjustment of Rs. 0.31 crore.
31 December 2025				116.34	116.12	0.22	Difference is due to book closure entries which pertain to adjustment of Rs. 0.22 crore.
31 March 2026				102.14	102.15	(0.01)	Difference is due to book closure entries which pertain to adjustment of Rs. 0.01 crore.

(ii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2024	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 19 and 23	Inventories	131.00	128.66	2.34	Difference is due to book closure entries which pertain to provision of Rs.2.03 crore and adjustment of Rs. 0.31 crore.
30 September 2024				152.13	143.64	8.49	Difference is due to book closure entry which pertains to provision of Rs. 8.10 crore and adjustment of Rs. 0.39 crore.
31 December 2024				122.45	114.91	7.54	Difference is due to book closure entries which pertain to provision of Rs.7.59 crore and adjustment of Rs. 0.05 crore.
31 March 2025				133.87	134.86	(0.99)	Difference is due to sa;es reversal impact of Rs. 0.98 crore and adjustment of Rs. 0.01 crore.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(iii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2025	Punjab National Bank Limited, State Bank of India Limited, Union Bank of India Limited	Refer note 19 and 23	Trade receivables	141.81	162.33	(20.52)	Difference is majorly due to retention money amounted to Rs. 2.53 crore not considered in quarterly returns. Balance of Rs 16.04 crore pertains to sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date and Rs 7.01 crores pertains to provision for doubtful debts.
30 September 2025				142.39	159.29	(16.90)	Difference is majorly due to retention money amounted to Rs 3.67 crore not considered in quarterly return. Balance of Rs 13.56 crore pertains to sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date and Rs 7.01 crores pertains to provision for doubtful debts.
31 December 2025				129.55	146.63	(17.08)	Difference is majorly due to retention money amounted to Rs 4.48 crore not considered in quarterly return. Balance of Rs 13.83 crore pertains to sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date and Rs. 7.73 crores pertains to provision for doubtful debts .
31 March 2026				135.39	152.81	(17.42)	Difference is majorly due to retention money amounted to Rs 5.20 crore not considered in quarterly return. Balance of Rs 16.42 crore pertains to last day sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date, Rs. 1.93 crore for advance from customer and Rs 7.73 crores pertains to provision for doubtful debts.

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(iv)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2024	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 19 and 23	Trade receivables	107.93	126.89	(18.96)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 6.79 crore, stock transfer balance of Rs. 0.43 crore, cash discount reversal of Rs. 0.81 crore, debtors grossing up Rs. 2.58 crore, sales reversal of Rs.13.57 crore and other audit adjustments of Rs. 0.37 crore.
30 September 2024				113.26	134.47	(21.21)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 6.79 crore, stock transfer balance of Rs. 0.92 crore, debtors grossing up Rs. 2.40 crore, sales reversal of Rs.16.40 crore and other audit adjustments of Rs. 1.33 crore.
31 December 2024				120.59	145.46	(24.87)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 6.79 crore, stock transfer balance of Rs. 1.02 crore, debtors grossing up Rs. 2.28 crore, sales reversal of Rs.18.92 crore and other audit adjustments of Rs. 2.45 crore.
31 March 2025				147.87	170.99	(23.12)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 7.01 crore, stock transfer balance of Rs. 0.83 crore, sales reversal of Rs.17.68 crore and other audit adjustments of Rs. 0.74 crore.

g The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

h The Company did not have any material transactions with Companies struck off under section 249 of Companies Act,2013 or section 560 of Companies Act,1956 during the financial year.

i The Company has registered with Ministry of Corporate Affairs/ Registrar of Companies, all charges or satisfaction within the statutory time period.

j The Company is compliant in respect of number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

k The Company has not entered into any scheme of arrangement in the current and previous year.

l The Company has not advanced or provided loan to or invested funds in entity including foreign entity or to any other person with the understanding that the intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

m The Company has not received any funds from any person or entity including foreign entity with the understanding that the company shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

n In view of continued losses, the Company is not covered by Section 135 of the Companies Act, 2013 dealing with CSR activities.

o The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Standalone Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

55 During the year, the Company incurred a net loss after tax of Rs. 63.34 crore and has accumulated losses aggregating to Rs. 543.73 crore as at 31 March 2026. Further, the Company's current liabilities exceed its current assets by Rs. 65.48 crore as at that date. However, considering management's plans for monetisation of certain assets, availability of additional credit facilities under the ECLGS 5.0 scheme, expected growth opportunities under future business plans, and financial support committed by the Holding Company to meet foreseeable obligations, these standalone financials statements have been prepared on a going concern basis.

56 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the provision to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company has used another accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period for all relevant transactions recorded in the accounting software at the application level. However, the database of the said accounting software is operated by a third-party software provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization) does not provide any information for any direct changes made at the database level of the said software for the aforesaid period. Further, the audit trail at application level has been preserved by the Company as per the statutory requirements of record retention.

57 Amounts below the rounding off norms adopted by the Company are presented as "0".

58 Previous year figures have been regrouped/reclassified, wherever considered necessary in order to comply with financial reporting requirements. The impact of such regrouping/reclassification is not material to these standalone financial statements.

The accompanying notes are an integral part of standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Independent Auditor's Report

To the Members of Shalimar Paints Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Shalimar Paints Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2026**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2026, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

S. No.	Key audit matter	How our audit addressed the key audit matter
A.	**Revenue recognition from sale of goods** (Refer note 3.3 and 29 to the accompanying consolidated financial statements) The Holding Company's derives its revenue primarily from sale of paints and coatings, and from providing related services to its customers. In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, revenue from sale of goods is recognised by the Holding Company when the performance obligation is satisfied, i.e., when the 'control' of the underlying goods is transferred to the customer as per the agreed contractual terms. Such revenue recognition from sale of goods requires management to make certain judgements and estimates around measurement of transaction price which involves determination of variable consideration on account of volume discounts and other rebate programs run by the Holding Company.	Our audit procedures relating to revenue recognition from sale of goods included, but were not limited to, the following: a) Assessed the appropriateness of revenue recognition accounting policies in accordance with Ind AS 115; b) Obtained an understanding of management's processes and controls over revenue recognition, including accrual of discounts and rebates; c) Evaluated the design and tested the operating effectiveness of key internal financial controls relating to revenue recognition and accrual of discounts and rebates; d) Performed substantive testing of revenue transactions recorded during the year including specific period before and after year end, on a sample basis, by verifying the underlying supporting documents such as customer contracts, purchase orders, sales orders, sale invoices, and proof of delivery through dispatch/shipping documents to ensure that the correct amount of revenue is recorded in the correct period;

Independent Auditor's Report

<table>
<tr><th>S. No.</th><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td></td><td>Further, the Holding Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred, and thus, revenue recognition is identified as a presumed significant risk of fraud in accordance with the requirements of Standards on Auditing.

Considering the above factors and materiality of amounts, considerable audit efforts were involved in assessing the appropriateness of revenue recorded during the year, and therefore, we have identified revenue recognition from sale of goods as a key audit matter for the current year audit.</td><td>e) Evaluated the appropriateness of underlying judgements and estimates used by management for determination of variable consideration;

f) Performed substantive testing on selected samples of discounts and rebates adjustments recorded during the year as well as year-end provisions recognised by the Holding Company, by testing underlying computations, management approvals and relevant supporting documents in respect of such schemes;

g) Performed analytical procedures, which included variance and ratio analysis of current year revenue and discounts/ rebates in comparison to earlier years to identify unusual trends, if any..

i) Circularised balance confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any; and

j) Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements in accordance with the applicable accounting standards.</td></tr>
<tr><td>B.</td><td>Net realizable value assessment of inventory

(Refer note 3.5 and 11 to the accompanying consolidated financial statements)

The Holding Company held inventories aggregating Rs. 102.14 crores as at 31 March 2026, comprising raw materials, work-in progress, stock-in-trade, finished goods, packaging materials and stores, spares and consumables, on which the Holding Company has created a slow-moving/ obsolescence provision of Rs. 4.58 crores as at year end.

At each reporting period end, the management assesses whether there is any objective evidence indicating that the net realisable value of any item of inventory is below it carrying value, specifically identified basis physical condition of inventory items, and prevailing and expected market trends. If so, such inventory items are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories.

The determination of provision for slow-moving, obsolete and non-saleable inventories involves significant judgements and estimation uncertainties, around assessment of physical condition of inventories, estimated remaining shelf life, refurbishment possibility and related expected costs, historical consumption patterns, product discontinuances and expected future demand.

Considering the judgement involved in evaluating the above factors and materiality of amounts, we have identified net realisable value assessment of inventory as key audit matter for the current year audit.</td><td>Our audit procedures for net realisable value assessment of inventory included, but were not limited to the following:

a) Obtained an understanding of management's process for identifying slow-moving, obsolete, and other non-saleable inventory, and for determining the related provision for slow-moving/obsolescence inventories.

b) Assessed the appropriateness of related accounting policies adopted by the Holding Company in accordance with the requirements of Ind AS 2;

c) Evaluated the design and implementation, and tested the operating effectiveness of key internal financial controls that the Holding Company has in relation to aforesaid process;

d) Evaluated the nature, source and reliability of data/ information used by the management for identification of slow moving/obsolete items of inventory, including key judgement and estimates applied. We evaluated such assessment basis ageing of inventory, past consumption patterns of similar inventory, and our understanding of prevailing and expected market conditions.

e) Tested, on sample basis, the estimated net realisable value and related provision computed by the management, basis recent and subsequent sale transactions of such inventory items, and evaluating management's estimates for any reprocessing cost required to be incurred basis historical cost patterns; and

(f) Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements in accordance with requirement of applicable accounting standards.</td></tr>
</table>

Independent Auditor's Report

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our Director's report thereon. The Director's Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw

attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of two (2) subsidiaries, whose financial statements (before elimination) reflect total assets of ₹ 31.60 crore as at 31 March 2026, total revenues of ₹ 7.75 crore and net cash inflows amounting to ₹ 0.00 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Holding Company's management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company have paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that 2 subsidiaries, incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiaries.
17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2026 and covered under the Act we report that:

    A) Following are the adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2026 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Shalimar Paints Limited	L24222HR1902PLC065611	Holding Company	3(iii)(c)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditor on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

Independent Auditor's Report

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

b) Except for the matters stated in paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended), 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 financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company, and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company and its subsidiaries, are disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.

f) The qualification relating to the maintenance of accounts and other matters connected therewith with respect to the consolidated financial statements are as stated in paragraph 18(b), above on reporting under section 143(3)(b) of the Act and paragraph 18(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries, covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act:

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 40 to the consolidated financial statements;

   ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2026;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, covered under the Act, during the year ended 31 March 2026;

   iv. a. The respective managements of the Holding Company and its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief , on the date of this audit report as disclosed in note 55(m) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries, to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

   b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, on the date of this audit report as disclosed in the note 55(n) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our auditors notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

   v. The Holding Company and its subsidiaries have not declared or paid any dividend during the year ended 31 March 2026.

vi. As stated in Note 57 to the consolidated financial statements and based on our examination and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, in respect of financial year commencing on or after 1 April 2025:

a) The Holding Company has used an accounting software operated by a third-party software service provider for maintaining their books of account, which has a feature of recording audit trail facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization), we are unable to comment on whether audit trail feature of the said software was enabled and operated throughout the year at the database level. The audit trail has been preserved at the application level but not at the database level by the Holding Company as per the statutory requirements for record retention.

b) The subsidiaries have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software at the application level. Further, the audit trails have been preserved by the subsidiaries as per the statutory requirements for record retention.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495
UDIN: 26512495AACXBK2271

Place: Mumbai
Date: 28 May 2026

Annexure 1

List of entities included in the Consolidated financial statements

Holding Company

1. Shalimar Paints Limited

Subsidiaries:

1. Shalimar Adhunik Nirman Limited
2. IM Inicio Projects Private Limited (formerly known as Eastern Speciality Paints & Coatings Private Limited)

Independent Auditor's Report

Annexure II to the Independent Auditor's Report of even date to the members of Shalimar Paints Limited on the consolidated financial statements for the year ended 31 March 2026

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of **Shalimar Paints Limited** ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended **31 March 2026**, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

Independent Auditor's Report

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two (2) subsidiary companies, which are companies covered under the Act, whose financial statements (before elimination) reflect total assets of ₹ 31.60 crore and net assets of ₹ 12.50 crore as at 31 March 2026, total revenues of ₹ 7.75 crore and net cash inflows amounting to ₹ 0.00 crore for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies, is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495
UDIN: 26512495AACXBK2271

Place: Mumbai
Date: 28 May 2026

Consolidated Balance Sheet as at 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Notes	As at 31 March 2026	As at 31 March 2025 (Restated)
Assets			
Non-current assets			
Property, plant and equipment	5.1	269.55	272.16
Capital work-in-progress	5.2	0.01	26.27
Right-of-use assets	5.3	24.19	26.99
Investment Property	5.4	2.87	-
Intangible assets	6.1	3.19	4.21
Intangible assets under development	6.2	0.13	0.31
Financial assets			
i) Investments	7	0.00	0.00
ii) Other financial assets	8	2.68	4.38
Non-current tax assets (net)	9	3.88	4.52
Other non-current assets	10	1.38	8.22
Total non-current assets		**307.88**	**347.06**
Current assets			
Inventories	11	102.14	134.25
Financial assets			
i) Trade receivables	12	138.34	147.21
ii) Cash and cash equivalents	13.1	7.14	7.06
iii) Bank balances other than (ii) above	13.2	39.95	38.41
iv) Other financial assets	14	3.59	11.29
Other current assets	15	14.39	16.79
Total current assets		**305.55**	**355.01**
Assets held for sale	16	27.13	-
Total assets		**640.56**	**702.07**
Equity and liabilities			
Equity			
Equity share capital	17	16.74	16.74
Other equity	18	234.44	297.51
Total equity		**251.18**	**314.25**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	19	-	17.49
ii) Lease liabilities	20	3.82	7.73
iii) Other financial liabilities	21	0.45	0.11
Provisions	22	7.10	4.58
Deferred tax liabilities (net)	38	2.04	2.48
Total non-current liabilities		**13.41**	**32.39**
Current liabilities			
Financial liabilities			
i) Borrowings	23	157.03	135.06
ii) Lease liabilities	24	3.91	3.58
iii) Trade payables	25		
-Total outstanding dues to micro enterprises and small enterprises		19.65	33.40
-Total outstanding dues to trade payables other than micro and small enterprises		156.51	159.00
iv) Other financial liabilities	26	28.38	16.98
Other current liabilities	27	6.26	4.39
Provisions	28	4.23	3.02
Total current liabilities		**375.97**	**355.43**
Total liabilities		**389.38**	**387.82**
Total equity and liabilities		**640.56**	**702.07**
The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.	1-59		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Consolidated Statement of Profit and Loss for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Income			
Revenue from operations	29	575.63	599.81
Other income	30	6.52	9.84
Total income		**582.15**	**609.65**
Expenses			
Cost of materials consumed	31	321.57	399.42
Purchases of stock-in-trade	32	36.82	47.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade	33	28.25	(10.27)
Employee benefits expense	34	68.49	79.98
Finance costs	35	25.34	17.55
Depreciation, amortisation and impairment expense	36	19.57	15.78
Other expenses	37	142.90	141.14
Total expenses		**642.94**	**690.82**
Loss before exceptional items and tax		**(60.79)**	**(81.17)**
Exceptional items	41 b&c	4.60	-
Loss before tax		**(65.39)**	**(81.17)**
Tax expense	38		
Current tax		-	-
Deferred tax		0.44	-
Total tax expense		**0.44**	-
Loss for the year		**(64.95)**	**(81.17)**
Other comprehensive income			
Items that will not be reclassified to Profit or Loss			
(i) Remeasurement gain on defined benefit plans		1.11	1.64
(ii) Tax effect on above		-	-
Total other comprehensive income for the year		**1.11**	**1.64**
Total comprehensive loss for the year, net of tax		**(63.84)**	**(79.53)**
Net loss attributable to:			
Owners of the Company		(64.95)	(81.17)
Non-controlling interest		-	-
Other comprehensive income for the year attributable to:			
Owners of the Company		1.11	1.64
Non-controlling interest		-	-
Total comprehensive loss attributable to:			
Owners of the Company		(63.84)	(79.53)
Non-controlling interest		-	-
Earnings per equity share of face value of Rs. 2 each	39		
1) Basic (in Rs.)		**(7.76)**	**(9.70)**
2) Diluted (in Rs.)		**(7.76)**	**(9.70)**
The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements.	1-59		

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Consolidated Statement of Cash Flow for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

('Indirect method')

Particulars	Notes	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
A. Operating activities			
Loss before tax		(65.39)	(81.17)
Adjustment to exclude profits from the transferred business in the restated profits		0.09	0.74
Loss before tax (adjusted)		(65.30)	(80.43)
Adjustments for:			
Depreciation, amortisation and impairment expense	36	19.57	15.77
Gain on lease modification	30	-	(0.09)
Interest expense	35	25.34	17.55
Interest income on bank deposits	30	(3.27)	(4.62)
(Profit)/Loss on disposal of property, plant and equipment (net)	30	(0.00)	0.00
Allowance for expected credit loss	37	0.73	0.87
Excess liabilities written back	30	-	(3.92)
Share based payment expense	34	0.68	0.32
Provision for inventory obsolescence		-	7.60
Unrealised gain on foreign currency		-	(0.12)
Unwinding of discount on security deposit	30	(0.06)	(0.01)
Operating loss before working capital changes		**(22.31)**	**(47.08)**
Working capital adjustments:			
Decrease/ (Increase) in inventories		32.11	(25.37)
Decrease/ (Increase) in trade receivables		8.13	(37.16)
Decrease/ (Increase) in other current and non-current financial assets		1.77	(3.14)
Decrease/ (Increase) in other current and non-current assets		2.49	(3.19)
Increase in other current and non-current financial liabilities		11.76	6.47
Increase/ (Decrease) in other current liabilities		1.91	(1.97)
(Decrease)/ Increase in trade payables		(17.94)	53.25
Increase in provisions		4.79	0.17
Cash flows generated from/ (used in) operations		**22.71**	**(58.02)**
Net Income tax (paid) / refund	9	0.64	(0.63)
Net cash generated from/ (used in) operating activities (A)		**23.35**	**(58.65)**
B. Investing activities			
Purchase of property, plant and equipment and intangible assets (including adjustments on account of capital-work-in-progress, capital advances and capital creditor)		(10.18)	(33.44)
Proceeds from sale of property, plant and equipment and capital-work-in-progress		0.24	8.00
Proceeds from (investment in)/ maturity of bank deposits (net)		6.01	6.39
Interest received	30	3.41	3.40
Net cash used in investing activities (B)		**(0.52)**	**(15.65)**
C. Financing activities			
Repayment of long term borrowings		(20.05)	(12.06)
Proceeds from short-term borrowings (net)		22.57	58.96
Repayment of principal portion of lease liabilities		(3.58)	(2.04)
Repayment of interest portion of lease liabilities	35	(0.99)	(0.44)
Interest paid		(22.66)	(15.86)
Net cash flows (used in)/ generated from financing activities (C)		**(24.71)**	**28.56**
Net change in cash and cash equivalents (D=A+B+C)		**(1.88)**	**(45.74)**
Cash and cash equivalents at the beginning of year (E)		(23.83)	21.91
Cash and cash equivalents at the end of year (D+E)		**(25.71)**	**(23.83)**
Reconciliation of cash and cash equivalents as per the cash flow statement			
Components of cash and cash equivalents for statement of cash flows:			
i) Cash on hand		0.00	0.03
ii) Balance with banks :			
-In current accounts		0.79	7.03
-Balance in deposits with original maturity less than 3 months		6.35	-
Total cash and cash equivalents		7.14	7.06
Less: Bank overdrafts		(32.85)	(30.89)
		(25.71)	**(23.83)**

Refer note 49 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7

The summary of material accounting policies and other explanatory information form an integral part of these Consolidated financial statements. 1-59

As per our report of even date attached.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Consolidated Statement Of Changes In Equity for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

A	Equity Share Capital	Notes	No. of shares	Amount
	Equity share capital as at 1 April 2024		8,37,11,178	16.74
	Changes in equity share capital during the year			-
	Equity share capital as at 31 March 2025	17	8,37,11,178	16.74
	Changes in equity share capital during the year		-	-
	Equity share capital as at 31 March 2026	17	**8,37,11,178**	**16.74**

B Other equity

Particulars	Notes	Reserves & Surplus						Total
		Securities premium	Share options outstanding account	General reserve	Retained earnings	Revaluation reserve	Capital reserve	
Balance as at 1 April 2024 (Restated)		611.60	1.92	40.62	(388.66)	108.71	1.79	375.98
-Loss for the year		-	-	-	(81.17)	-	-	**(81.17)**
-Other comprehensive income for the year								
Remeasurement gain on defined benefit plans		-	-	-	1.64	-	-	**1.64**
-Employee stock option expense		-	0.32	-	-	-		**0.32**
-Employee stock options lapsed during the year		-	(0.47)	-	0.47	-	-	**-**
-Impact of business combination (refer note 50)		-	-	-	0.74	-	-	**0.74**
Balance as at 31 March 2025		**611.60**	**1.77**	**40.62**	**(466.98)**	**108.71**	**1.79**	**297.51**
-Impact of business combination (refer note 50)		-	-	-	0.09	-	-	**0.09**
-Loss for the year		-	-	-	(64.95)	-	-	**(64.95)**
-Other comprehensive income for the year		-	-	-	-	-		
Remeasurement gain on defined benefit plans		-	-	-	1.11			**1.11**
-Employee stock option expense		-	0.68	-	-	-		**0.68**
-Employee stock options lapsed during the year		-	(0.98)	-	0.98	-	-	**-**
Balance as at 31 March 2026		**611.60**	**1.47**	**40.62**	**(529.75)**	**108.71**	**1.79**	**234.44**

The summary of material accounting policies and other explanatory information form an integral part of these consolidated financial statements. 1-59

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Notes to the Consolidated Financial Statements for the year ended 31 March 2026

1. Group background

Shalimar Paints Limited and its subsidiaries ('the Group') is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Group has pan-India presence through its marketing offices in all major states in India and has its manufacturing units in Nashik, Howrah, Sikandrabad and Chennai.

Shalimar Paints Limited ("the Holding Company") [CIN: L24222HR1902PLC065611] is a public limited Company domiciled in India. The registered office of the Holding Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Holding Company are listed on National Stock Exchange and Bombay Stock Exchange.

2. Basis of preparation and statement of compliance

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1 April 2016);
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

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

These consolidated financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated. They have been prepared under the assumption that the Group operates on a going concern basis, which assumes the Group will be able to discharge its liabilities as and when they fall due.

These consolidated financial statements are approved for issue by the Board of Directors on 28 May 2026.

Current and non-current classification:

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

Statement of compliance:

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Companies Act, 2013 (the "Act") (as amended from time to time).

3. Summary of material accounting policies

3.1 Basis of consolidation

The Group's financial statements consolidate the financial statements of Shalimar Paints Limited and all of itssubsidiaries as at 31 March 2026. All subsidiaries have a reporting date of 31 March.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its Power over the investee to affect its returns

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, aggregating like items of assets, liabilities, equity, income and expenses. All intra-group transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of equity and consolidated balance sheet respectively.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance based on their respective ownership interests.

3.2 Fair value measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of various discounts and incentive schemes offered by the Group as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable. As the period between the date on which the Group transfers the promised goods to the customer and the date on which the customer pays for these goods is generally one year or less, no financing components are considered.

a) **Sale of goods:**

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers. The performance obligation in case of sale of product is satisfied at a point in time i.e., when the material is shipped to the customer or on delivery to the customer, as may be specified in the contract. It is measured at transaction price (net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract) allocated to that performance obligation. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognised only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

b) **Services rendered:**

Revenue from services is recognised over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Group uses output method for measurement of revenue as it provides a faithful depiction of the transfer of goods and services to the customer.

Advance from customers is recognised under other liabilities and released to revenue on satisfaction of performance obligation.

c) **Other operating income – Export incentives:**

Export Incentives under various schemes are accounted in the year of export.

3.4 Other Income

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend income from investments is recognised when the Group's right to receive dividend is established.

3.5 Inventories

Inventories are valued as follows:

a) **Raw materials, components, stores and spares:** At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

b) **Work-in-progress:** At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) **Intermediate goods/ Finished goods:**

i. Self-manufactured - At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average cost basis.

ii. Traded - At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unprocessable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

3.6 Property, plant and equipment and capital work-in-progress

a. **Measurement at recognition**

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Consolidated Statement of Profit and Loss.

The Group had elected to use fair value as the deemed cost for Property, Plant, and Equipment at the date of transition to Ind AS. The revaluation surplus arising from this election is credited to the revaluation reserve within equity. In cases where a revaluation decrease or impairment loss has previously been recognized in profit or loss, any subsequent revaluation increase is first credited to profit or loss to the extent of the previously recognized loss. The remaining portion of the revaluation increase is recognized in other comprehensive income. Downward revaluations are recognized based on appraisal or impairment testing. The decrease is charged to other comprehensive income to the extent of any revaluation surplus in equity related to the asset. Any remaining decrease is recognized in profit or loss. Upon disposal of the asset, any revaluation surplus remaining in equity is transferred to retained earnings.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date. Advances given towards acquisition of fixed assets outstanding at each balance sheet date are disclosed as Other Non-Current Assets.

b. Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

c. Depreciation

Depreciation on each part of an item / component of PPE is provided on pro-rata basis using the Straight-Line Method based on the expected useful life of the asset and is charged to the Consolidated Statement of Profit and Loss as per the requirement of Schedule II of the Companies Act, 2013. The estimated useful life has been assessed based on technical evaluation, taking into account the nature of the asset and the estimated usage basis management's best judgement of economic benefits from those classes of assets.

The estimated useful life of items of PPE is mentioned below:

Particulars	Useful life
Factory Building	30 years
Other than factory building	60 years
Plant and machinery	7-15 years
Office equipment	5 years
Computer	3 years
Tinting machines*	10-15 years
Furniture and fixtures	10 years
Vehicles	8 years
Pallets*	2-5 years

*The useful life assessed by the Management is different than those indicated in Schedule II of the Companies Act, 2013

Depreciation is charged on fair valued amount less estimated salvage value. Freehold land is not depreciated. Leasehold improvements is amortised on a straight-line basis over the remaining period of lease.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

3.7 Intangible Assets

a. Measurement at recognition

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Expenditure on the research phase of internally generated intangibles is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets provided, they meet the recognition requirements. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. Development costs not meeting these criteria for capitalisation are expensed as incurred.

b. Amortisation

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

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

Particulars	Useful life
Computer software	6 years
Trademark	10 years
Technical Knowhow	25 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year.

c. Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Consolidated Statement of Profit and Loss when the asset is derecognised.

3.8 Investment in subsidiaries

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following:

a) power over the investee;

b) exposure, or rights, to variable returns from its involvement with the investee; and

c) the ability to use its power over the investee to affect the amount of the investor's returns

The Group has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investment carried at cost is tested for impairment as per Ind AS 36.

3.9 Investment property

Investment properties are properties held to earn rentals or for capital appreciation, or both. These are measured initially at cost of acquisition, including transaction costs. The cost shall also include borrowing cost if the recognition criteria are met. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment loss, if any. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably.

Any gain or loss on disposal of an investment property is recognised in profit or loss, unless any other standard specifically requires otherwise. The Group depreciates the investment property using the straight-line method.

The fair value of investment property is disclosed in the notes to the consolidated financial statements. The fair value is determined by registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Transfers are made to (or from) investment properties only when there is a change in use. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

3.10 Non-current assets held for sale

Non-current assets groups are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is only met when the sale is highly probable and the asset is available for immediate sale in its present condition and is marketed for sale at a price that is reasonable in relation to its current fair value. The Group must also be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale classified as held for sale are presented separately from other assets in the consolidated balance sheet. Non-current assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

3.11 Leases

The Group as a lessee

The Group enters into an arrangement for lease of land, buildings and equipment. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfils the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability.

The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the consolidated financial statements of the Group.

The Group has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

3.12 Employee benefits

a. Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b. Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Group recognises termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through Consolidated Other Comprehensive Income ("OCI") in the period in which they occur. Re-measurements are not reclassified to consolidated profit or loss in subsequent periods.

Past service costs are recognised in Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c. Compensated absences (other long term employee benefits)

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

3.13 Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date of grant using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share option outstanding account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss.

3.14 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous consolidated financial statements, are recognised as income or as expenses in the year in which they arise.

3.15 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.16 Income taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. It is recognised in consolidated profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a. Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

b. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including on unabsorbed losses) are re-assessed at each reporting date and are recognised to the extent that it has become probable that there is reasonable certainty with convincing evidence of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Group predominantly fall within a single operating segment, i.e., manufacturing and sale of paints.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, thus there are no additional disclosures to be provided under Ind AS 108 'Segment Reporting'.

3.18 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.19 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

3.20 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Group's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.21 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset, except for trade receivables which are initially measured at transaction price.

For purposes of subsequent measurement, financial assets are classified as follows:

a. Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the consolidated statement of Profit and Loss. The losses arising from impairment are recognised in the consolidated statement of Profit and Loss. This category generally applies to trade and other receivables.

b. Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Group has not designated any debt instrument in this category.

c. Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss. The Group has not designated any debt instrument in this category.

d. Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is de-recognition when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Group measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head 'other expenses'.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the Group from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to the Group prior to the end of financial year which are unpaid.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in consolidated profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are de recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in consolidated profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Consolidated Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in Consolidated OCI. These gains/ loss are not subsequently transferred to the Consolidated Statement of Profit and Loss.

b. Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Consolidated Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

3.22 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.23 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.24 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

3.25 Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. The Group applied following applicable amendments for the first-time during the current year which are effective from 1 April 2025:

Lack of exchangeability – Amendments to Ind AS 21

MCA via notification dated 7 May 2025, announced amendments to Ind AS 21, The Effects of Changes in Foreign Exchange Rates, to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows. The amendments do not have a material impact on the Group’s Consolidated Financial Statements.

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

MCA via notification dated 13 August 2025 announced amendments to Ind AS 1, Presentation of Financial Statements. The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group has no impact of these amendments in its classification criteria of current and non-current liabilities.

3.26 Standards notified but not yet effective

Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to Ind AS 1

Paragraph 74 of Ind AS 1 currently effective for the year ended 31 March 2026 requires the entity not to classify the liability as current, if there is a breach of a material covenant of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, however, the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. MCA vide notification dated 13 August 2025, has introduced amendment under Paragraph 74 of Ind AS 1 which requires the entity to classify the liability as current under the aforementioned situation because, at the end of the reporting period, it does not have the right to defer its settlement for at least twelve months after that date. Such amendment has been made effective for annual reporting periods beginning on or after 01 April 2026 retrospectively in accordance with Ind AS 8.

This amendment is not expected to have a material impact on the Group's Consolidated Financial Statements.

4. Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the acing disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

i. Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a. Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b. Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c. Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii. Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a. Useful lives of tangible/intangible assets

The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

b. Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c. Share based payment

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them.

d. Leases – determination of the appropriate discount rate to measure lease liabilities

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

e. Inventories

The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. Further, the management identifies old, slow-moving, damaged, and expired inventory to ascertain whether an allowance is required to be made in the financial statements for any obsolete and slow-moving items.

f. Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

g. Allowance for expected credit loss

The Group applies Expected Credit Losses (“ECL”) model for measurement and recognition of loss allowance on trade receivables. In accordance with Ind AS 109 - Financial Instruments, the Group applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 ‘Revenue from Contracts with Customers’.

For this purpose, the Group follows ‘simplified approach’ for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

5.1 Property, plant and equipment

Particulars	Land free hold [refer note (e)]	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Gross carrying value								
As at 31 March 2024 (Restated)	**123.70**	**96.86**	**78.09**	**1.47**	**2.18**	**6.67**	**14.13**	**323.10**
Additions for the year	-	16.45	12.26	0.49	0.15	2.59	1.87	33.81
Disposals/ other adjustment	-	-	(2.01)	(0.23)	(0.26)	(0.91)	-	(3.41)
As at 31 March 2025	**123.70**	**113.31**	**88.34**	**1.73**	**2.07**	**8.35**	**16.00**	**353.50**
Additions for the year	-	20.44	21.09	0.10	-	1.32	-	42.95
Disposals for the year	-	-	-	(0.04)	-	(0.01)	-	(0.05)
Transferred to investment property (refer note f)	-	(10.24)	-	-	-	-	-	(10.24)
Assets classified as held for sale (refer note g)	(26.33)	(0.95)	-	-	-	-	-	(27.28)
As at 31 March 2026	**97.37**	**122.56**	**109.43**	**1.79**	**2.07**	**9.66**	**16.00**	**358.88**
Accumulated depreciation								
As at 31 March 2024 (Restated)	**-**	**24.65**	**35.26**	**-**	**0.70**	**2.80**	**5.76**	**69.17**
Depreciation for the year	-	3.11	7.33	0.19	0.26	1.22	0.64	12.75
Disposals/ other adjustment	-	-	(0.25)	(0.02)	(0.16)	(0.15)	-	(0.58)
As at 31 March 2025	**-**	**27.76**	**42.34**	**0.17**	**0.80**	**3.87**	**6.40**	**81.34**
Depreciation for the year	-	4.23	8.94	0.22	0.24	1.58	-	15.21
Disposals for the year	-	-	-	(0.04)	-	(0.01)	-	(0.05)
Transferred to investment property (refer note f)	-	(7.02)	-	-	-	-	-	(7.02)
Assets classified as held for sale (refer note g)	-	(0.15)	-	-	-	-	-	(0.15)
As at 31 March 2026	**-**	**24.82**	**51.28**	**0.35**	**1.04**	**5.44**	**6.40**	**89.33**
Net carrying value								
Balance as at 31 March 2025	123.70	85.55	46.00	1.56	1.27	4.48	9.60	272.16
Balance as at 31 March 2026	97.37	97.74	58.15	1.44	1.03	4.22	9.60	269.55

Notes:

a) Refer note 19 and note 23 for details regarding property, plant and equipment which are pledged as security.

b) Refer note 40B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) All the title deeds of the immovable properties are held in the name of the Group.

d) Refer note 55b for details regarding revaluation.

e) This includes land at Goaberia (adjacent to Howrah plant) amounting to Rs. 4.50 crore given as security to Tara Properties Private Limited. Refer note 53.

f) During the year, the Group has transferred its office at Mumbai amounting to Rs. 3.22 crore (net carrying value) from property, plant and equipment to investment properties upon change in use evidenced by commencement of operating lease to third parties, in accordance with Ind AS 40. This includes office at mumbai given as security to high court against award received from Nashik plant fire case. Refer note 53.

g) The Group has decided to sell the immovable property located in Gurugram. Consequently, the associated land and building of Shalimar Adhunik Nirman Limited, a subsidiary, are classified as held for sale in accordance with IndAS 105 - Non-Current Assets Held for Sale and Discontinued Operations.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

5.2 Capital work-in-progress

Particulars	Amount
Gross carrying value	
As at 1 April 2024 (Restated)	**33.67**
Additions for the year	32.05
Deletions for the year [refer note 5.2(a)]	(5.16)
Capitalised during the year	(34.29)
As at 31 March 2025	**26.27**
Additions for the year	16.57
Capitalised during the year	(42.83)
As at 31 March 2026	**0.01**

Ageing of capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026					
Projects in progress	0.01	-	-	-	0.01
Total	**0.01**	**-**	**-**	**-**	**0.01**
As at 31 March 2025					
Projects in progress	6.69	19.37	0.21	-	26.27
Total	**6.69**	**19.37**	**0.21**	**-**	**26.27**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

5.3 Right-of-use assets

Particulars	Plant and machinery	Buildings leasehold	Land leasehold	Total lease assets
Gross carrying value				
As at 1 April 2024 (Restated)	-	**6.84**	**16.91**	**23.75**
Additions for the year (refer note (a) below)	12.62	-	-	12.62
Disposals for the year	-	(2.61)	-	(2.61)
As at 31 March 2025	**12.62**	**4.23**	**16.91**	**33.76**
Additions for the year	-	-	-	-
Disposals for the year	-	-	-	-
As at 31 March 2026	**12.62**	**4.23**	**16.91**	**33.76**
Accumulated depreciation				
As at 1 April 2024 (Restated)	-	**4.25**	**1.58**	**5.83**
Depreciation for the year	0.76	1.02	0.26	2.04
Disposals for the year	-	(1.10)	-	(1.10)
As at 31 March 2025	**0.76**	**4.17**	**1.84**	**6.77**
Depreciation for the year	2.46	0.06	0.28	2.80
Disposals for the year	-	-	-	-
As at 31 March 2026	**3.22**	**4.23**	**2.12**	**9.57**
Net carrying value				
Balance as at 31 March 2025	11.86	0.06	15.07	26.99
Balance as at 31 March 2026	9.40	-	14.79	24.19

a) During the previous year, the Group sold property, plant, and equipment, as well as capital work-in-progress, at their written down and carrying values respectively, and simultaneously leased them back for a period of 5 years. No gain or loss was recognized from the sale of these assets. The Group has measured the right-of-use asset resulting from the leaseback according to the contractual terms.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

5.4 Investment Property

Particulars	As at 31 March 2026	As at 31 March 2025
Gross carrying value		
As at 1 April 2025	**-**	**-**
Transferred from Property plant and equipment	10.24	-
As at 31 March 2026	**10.24**	**-**
Accumulated depreciation and impairment		
As at 1 April 2025	-	-
Transferred from Property plant and equipment	7.02	-
Charge for the year	0.35	-
As at 31 March 2026	**7.37**	**-**
Net carrying amount as at 31 March 2026 (*)	**2.87**	**-**

Amounts recognised in profit or loss for investment properties

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Rental income	0.06	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	**0.06**	**-**
Depreciation	-0.35	-
Profit/(loss) from investment properties	**(0.29)**	**-**

(*) This office at Mumbai is given as security to High Court against award received for Nashik plant fire. Refer note 53.

Fair value of the investment property

Particulars	31-Mar-26	31-Mar-25	As at 31 March 2026	As at 31 March 2025
Mumbai office	Level 3	-	14.18	-

The fair value of the said property is estimated based on the valuation by a registered valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. The significant inputs and assumptions are developed in close consultation with management. The main inputs used for estimating fair value are the ready reckoner prices, enquiry with local agents / property dealers for comparable transactions in active market for similar properties and age of the structure.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

6.1 Intangible assets

Particulars	Computer Software	Technical Know How	Trade Mark	Total
Gross carrying value				
As at 31 March 2024 (Restated)	**7.24**	**0.68**	**0.50**	**8.42**
Additions for the year	2.30	-	-	2.30
As at 31 March 2025	**9.54**	**0.68**	**0.50**	**10.72**
Additions for the year	0.19	-	-	0.19
As at 31 March 2026	**9.73**	**0.68**	**0.50**	**10.91**
Accumulated amortisation				
As at 31 March 2024 (Restated)	**4.77**	**0.29**	**0.47**	**5.53**
Amortisation for the year	0.95	0.03	-	0.98
As at 31 March 2025	**5.72**	**0.32**	**0.47**	**6.51**
Amortisation for the year	1.18	0.03	-	1.21
As at 31 March 2026	**6.90**	**0.35**	**0.47**	**7.72**
Net carrying value				
Balance as at 31 March 2025	3.82	0.36	0.03	4.21
Balance as at 31 March 2026	2.83	0.33	0.03	3.19

Note:

a) Refer note 55b for details regarding revaluation.

6.2 Intangible assets under development

Particulars	Amount
Gross carrying value	
As at 1 April 2024	1.27
Additions for the year	0.80
Capitalised during the year	(1.76)
As at 31 March 2025	**0.31**
Additions for the year	0.13
Deletions for the year	(0.18)
Capitalised during the year	(0.13)
As at 31 March 2026	**0.13**

Ageing of intangible assets under development is as follows:

Particulars	Amount in intangible assets under development for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026					
Projects in progress	-	0.04	0.09	-	0.13
Total	**-**	**0.04**	**0.09**	**-**	**0.13**
As at 31 March 2025					
Projects in progress	0.11	0.20	-	-	0.31
Total	**0.11**	**0.20**	**-**	**-**	**0.31**

Note:

a) There are no projects as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to it's original plan or where completion is over due.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

7 Non-current investments

Particulars	As at 31 March 2026		As at 31 March 2025 (Restated)	
	No. of Shares/units	Amount	No. of Shares/units	Amount
Investment in others in fully paid equity shares (at FVTPL) (unquoted)				
(i) **Woodlands Multispeciality Hospital Limited**				
Fully paid up shares of Rs.10 each	**2,350**	0.00	**2,350**	0.00
		0.00		**0.00**

Aggregate amount of unquoted investments		**0.00**		**0.00**
Aggregate amount of impairment in the value of investments		-		-

8 Other non-current financial assets

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Financial assets at amortised cost		
Security deposits	2.45	4.02
Balance in deposits with maturity of more than 12 months*	0.23	0.36
Total	**2.68**	**4.38**

* These deposits are under lien with banks.

9 Non-current tax assets (net)

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Advance income tax (net of provision for income tax)	3.88	4.52
Total	**3.88**	**4.52**
The gross movement in the non-current tax assets:		
Net balance at the beginning of the year	4.52	3.89
Advance tax paid/ TDS receivable	1.42	0.63
Provision for the current year	-	-
Refunds during the year	(2.06)	-
Net income tax assets	**3.88**	**4.52**
Disclosed as:		
Income tax assets (net)	29.19	29.83
Non-current tax liabilities (net)	25.31	25.31
Net income tax assets	**3.88**	**4.52**

10 Other non-current assets

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Prepaid expenses	0.08	0.16
Capital advances	1.30	8.06
Total	**1.38**	**8.22**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

11 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Raw material	35.26	39.76
Work-in-progress	6.14	5.71
Finished goods	55.83	84.51
Stores and spares	4.91	4.27
Total	**102.14**	**134.25**

Notes:

a) Inventories are presented net of a provision for obsolete, slow-moving, and damaged inventory amounting to Rs. 4.58 crore (as of 31 March 2025: Rs. 6.61 crore). This provision is made for non-processable inventory and adjustments based on the physical verification conducted by the Group.

b) Finished goods includes trading goods Rs. 5.67 crore (31 March 2025: Rs. 9.68 crore) and goods-in-transit Rs. 2.08 crore (31 March 2025: Rs. 3.86 crore).

c) The cost of inventories recognised as an expense during the year is disclosed in notes 31, 32 and 33.

d) Refer notes 19 and 23 for information on inventory pledged as security by the Group.

12 Trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Unsecured		
-Considered good	138.34	147.21
-Credit impaired	7.73	7.01
	146.07	154.22
Less: Allowance for expected credit loss	(7.73)	(7.01)
Total	**138.34**	**147.21**

Notes:

(i) For trade receivables from related parties, refer note 46.

(ii) Trade receivables are non interest bearing and credit period generally falls in the range of 0 to 120 days.

(iii) Refer note 19 and note 23 for information on trade receivables pledged as security by the Group.

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(v) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 46.

(vi) Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero. Subsequently, the Group applies lifetime expected credit loss model for measurement of trade receivables.

Transferred trade receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement by the Group where it has retained significant risks and rewards of receivables. Under this arrangement, the Group has sold trade receivables to the financial institution in exchange for cash proceeds. The Group therefore continues to recognise the transferred assets in their entirety in its balance sheet. Consequently, the proceeds received from transfer are recorded as loans from financial institutions and classified under short-term borrowings. The Group considers that the receivables continues to be held as part of 'held to collect business model' and hence continues measuring them at amortised cost. The carrying amount of the associated liabilities as at the reporting date amounts to Rs. 17.81 crore (31 March 2025: 14.86 crore).

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(All amounts are in Rupees crore, unless otherwise stated)

Ageing schedule of trade receivables as at 31 March 2026 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	94.39	28.14	8.05	4.00	2.46	1.30	**138.34**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	1.93	0.32	0.49	1.00	1.76	2.23	**7.73**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	**-**
	Gross trade receivables	**96.32**	**28.46**	**8.54**	**5.00**	**4.22**	**3.53**	**146.07**
	Less: Allowance for expected credit loss	1.93	0.32	0.49	1.00	1.76	2.23	**7.73**
	Total	**94.39**	**28.14**	**8.05**	**4.00**	**2.46**	**1.30**	**138.34**

Ageing schedule of trade receivables as at 31 March 2025 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivables- considered good	117.52	20.63	3.99	4.77	0.30	-	**147.21**
(ii)	Undisputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivables- credit impaired	1.60	0.38	0.18	1.46	1.75	1.64	**7.01**
(iv)	Disputed trade receivables- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivables- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivables- credit impaired	-	-	-	-	-	-	**-**
	Gross trade receivables	**119.12**	**21.01**	**4.17**	**6.23**	**2.05**	**1.64**	**154.22**
	Less: Allowance for expected credit loss	1.60	0.38	0.18	1.46	1.75	1.64	**7.01**
	Total	**117.52**	**20.63**	**3.99**	**4.77**	**0.30**	**-**	**147.21**

13.1 Cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
-Balance with banks		
Balance with banks in current accounts	0.79	7.03
Cash on hand	0.00	0.03
Balance in deposits with original maturity of less than 3 months*	6.35	-
Total	**7.14**	**7.06**

* Deposits of Rs. 1.35 crore are under lien with banks and financial institutions.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

13.2 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Deposits with original maturity of more than 3 months but less than 12 months*	39.95	38.41
Total	**39.95**	**38.41**

* These deposits are under lien with banks and financial institutions.

14 Other current financial assets

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Unsecured and considered good		
Security deposits	0.75	1.18
Interest accrued on term deposits	2.04	2.18
Balance in deposits with remaining maturity of less than 12 months*	0.42	7.84
Other receivables	0.38	0.09
Total	**3.59**	**11.29**

* These deposits are under lien with banks and financial institutions.

15 Other current assets

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Advances to suppliers	7.31	8.93
Advance to employees	0.79	1.17
Prepaid expenses	1.72	1.37
Balance with government authorities	4.57	5.32
Total	**14.39**	**16.79**

16 Assets held for sale

The Group has classified its immovable property located in Gurugram as asset held for sale at its carrying value.

Particulars	As at 31 March 2026	As at 31 March 2025
Land	26.33	-
Buildings	0.80	-
	27.13	**-**

17 Equity share capital

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Authorised share capital		
100,000,000 (31 March 2026: 100,000,000) equity shares of Rs. 2 each	20.00	20.00
Issued, subscribed and fully paid up		
83,711,178 (31 March 2026: 83,711,178) equity shares of Rs. 2 each	16.74	16.74
Share forfeiture account	0.00	0.00
Total	**16.74**	**16.74**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Notes:

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning	8,37,11,178	16.74	8,37,11,178	16.74
Add: Preferential allotment (refer note (iii) below)	-	-	-	-
Balance at the end	**8,37,11,178**	**16.74**	**8,37,11,178**	**16.74**

(ii) **Terms/rights attached to equity shares**

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

(iii) **Details of shareholders holding more than 5% shares in the Holding Company***

Name of Shareholder	As at 31 March 2026		As at 31 March 2025	
	No. of shares held	% of holding	No. of shares held	% of holding
Virtuous Tradecorp Private Limited	1,05,67,523	12.62%	1,05,67,523	12.62%
Hella Infra Market Limited	4,42,42,921	52.85%	4,42,42,921	52.85%

*As per the records of the Company, including its register of members.

(iv) **Details of shares held by promoters at the end of the year**

Promoter Name	As at 31 March 2026			As at 31 March 2025		
	Number of shares	% of shares held	% Change during the year	Number of shares	% of shares held	% Change during the year
Hella Infra Market Limited	4,42,42,921	52.85%	0.00%	4,42,42,921	52.85%	0.00%
Hina Devi Goyal	60	0.00%	0.00%	60	0.00%	0.00%
Sminu Jindal	12,468	0.01%	0.00%	12,468	0.01%	0.00%
Sangita Jindal	31,000	0.04%	0.00%	31,000	0.04%	0.00%
Deepika Jindal	89,062	0.11%	0.00%	89,062	0.11%	0.00%
Savitri Devi Jindal	36,515	0.04%	0.00%	36,515	0.04%	0.00%
Urvi Jindal	1,65,545	0.20%	0.00%	1,65,545	0.20%	0.00%
Arti Jindal	10	0.00%	0.00%	10	0.00%	0.00%
R K Jindal & Sons HUF	30,750	0.04%	0.00%	30,750	0.04%	0.00%
P R Jindal HUF	14,606	0.02%	0.00%	14,606	0.02%	0.00%
S K Jindal & Sons HUF	12,300	0.01%	0.00%	12,300	0.01%	0.00%
Naveen Jindal & Sons HUF	36,515	0.04%	0.00%	36,515	0.04%	0.00%
OPJ Trading Private Limited	-	0.00%	0.00%	500	0.00%	0.00%
Nalwa Investments Limited	2,70,569	0.32%	0.00%	2,70,569	0.32%	0.00%
Mansarover Tradex Limited	52,500	0.06%	0.00%	52,500	0.06%	0.00%
Stainless Investments Limited	82,500	0.10%	0.00%	82,500	0.10%	0.00%
Sun Investments Private Limited	82,500	0.10%	0.00%	82,500	0.10%	0.00%
Jindal Equipment Leasing and Consultancy Services Limited	1,02,500	0.12%	0.00%	1,02,500	0.12%	0.00%
Colorado Trading Company Pvt. Ltd.	12,24,635	1.46%	0.00%	12,24,635	1.46%	0.00%

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Promoter Name	As at 31 March 2026			As at 31 March 2025		
	Number of shares	% of shares held	% Change during the year	Number of shares	% of shares held	% Change during the year
Hexa Securities and Finance Company Ltd.	15,00,000	1.79%	0.00%	15,00,000	1.79%	0.00%
Abhinandan Tradex Limited	55,000	0.07%	0.00%	55,000	0.07%	0.00%
Gagan Infraenergy Limited	-	0.00%	0.00%	500	0.00%	0.00%
Nalwa Sons Investments Limited	13,72,590	1.64%	0.00%	13,72,590	1.64%	0.00%
Opelina Sustainable Services Private Limited	-	0.00%	0.00%	500	0.00%	0.00%
Virtuous Tradecorp Private Limited	1,05,67,523	12.62%	0.00%	1,05,67,523	12.62%	-0.76%
JSL Limited	26,81,992	3.20%	0.00%	26,81,992	3.20%	0.00%
Systran Multiventures Private Limited	100	0.00%	0.00%	100	0.00%	0.00%
PRJ Family Management Company Private Limited (as trustee of PRJ Holdings Private Trust)	85,490	0.10%	0.00%	85,490	0.10%	0.00%
Total	**6,27,49,651**	**74.96%**	**0.00%**	**6,27,51,151**	**74.96%**	**-0.76%**

The above list of promoters is as per Section 2(69) of the Act.

(v) For the period of five years immediately preceeding the date as at which the Balance Sheet is prepared, the Holding Company has not issued any shares without payment being received in cash or issued as fully paid up by way of bonus shares. Further, there has been no buy back of shares during the aforesaid period.

(vi) Share forfeiture account amounts to Rs. 535 (31 March 2025: Rs. 535)

18 Other equity

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Securities premium	611.60	611.60
Share options outstanding account	1.47	1.77
General reserve	40.62	40.62
Retained earnings	(529.75)	(466.98)
Revaluation reserve	108.71	108.71
Capital reserve	1.79	1.79
Total	**234.44**	**297.51**

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Securities premium		
Balance at the beginning of the year	611.60	611.60
Balance at the end of the year	**611.60**	**611.60**
Share options outstanding account		
Balance at the beginning of the year	1.77	1.92
Add: Employee stock option expense	0.68	0.32
Less: Employee stock options lapsed during the year	(0.98)	(0.47)
Balance at the end of the year	**1.47**	**1.77**
General reserve		
Balance at the beginning and at the end of the year	**40.62**	**40.62**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
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Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Retained earnings		
Balance at the beginning of the year	(466.98)	(388.66)
Add: Loss for the year	(64.95)	(81.17)
Add: Other comprehensive income for the year		
Remeasurement gain on defined benefit plans	1.11	1.64
Add: Employee stock options lapsed during the year	0.98	0.47
Add: Loss transferred from Hella for FY24-25 - impact of business combination	0.09	0.74
Balance at the end of the year	**(529.75)**	**(466.98)**
Revaluation reserve		
Balance at the beginning and at the end of the year	**108.71**	**108.71**
Capital reserve		
Balance at the beginning of the year	1.79	1.79
Balance at the end of the year	**1.79**	**1.79**
Total	**234.44**	**297.51**

i. **Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

ii. **Share options outstanding account**

The above reserve relates to the share options granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 47

iii. **General reserve**

The above reserve relates to annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of Profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

iv. **Retained earnings**

Retained earnings are created from the profit/ loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

v. **Revaluation reserve**

Revaluation reserve is on account of revaluation of land at various locations and other assets at the time of Ind AS transition.

vi. **Capital reserve**

The capital reserve has been created through transfer of the equity portion of the optionally convertible debentures, on their repayment. It is not available for distribution to shareholders as dividend.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

19 Non-current borrowings at amortised cost

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Secured		
Term loans :		
- from banks	0.29	20.04
- from others (vehicle loan)	0.02	0.32
	0.31	**20.36**
Less: Current maturities of long - term borrowings (refer note 23)	0.31	2.87
Total	**0.00**	**17.49**

Notes:

a) There is no default in repayments of principal borrowings or interest thereon.

b) The term loans have been used for the specific purpose for which they are availed.

c) No material breaches were identified in relation to the Group's borrowing arrangements during the year.

d) During the year, the Group entered into a term sheet for the sale of a commercial plot in Gurugram, held in the name of its subsidiary, Shalimar Adhunik Nirman Limited. As a condition precedent to the transaction, the charge on the said property were required to be released. Accordingly, the Group repaid the entire outstanding loan secured against the property.

Terms of repayment:

Particular of Loan	As at 31 March 2026	As at 31 March 2025	Rate of interest %	Installments starting on	Installments ending on	Repayment mode
Union Guaranteed Emergency Credit Line (UGECL-2) scheme from Union Bank of India Limited [refer note (c) below]	0.29	1.09	MCLR +0.60% or 9.25% whichever is lower p.a	31-Jul-2022	30-Jun-2026	Monthly
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from Punjab National Bank Limited [refer note (d) below]	-	0.57	MCLR +1% or 9.25% whichever is lower p.a.	30-Apr-2022	31-Mar-2026	Monthly
Working capital term loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from State Bank of India Limited [refer note (b) below]	-	1.19	MCLR +1% or 9.25% whichever is lower p.a.	30-Apr-2022	30-Sep-2025	Monthly
Term loan from IDFC First Bank Limited [refer note (a) below]	-	17.19	12 months MCLR	17-Apr-2026	16-Jan-2029	Quarterly

Nature of security:

(a) IDFC Term loan

Term loan of Rs. Nil crore (31 March 2025: Rs. 17.19 crore) availed from IDFC First Bank is secured by:

1. Exclusive charge on commercial plot in Gurugram valued at Rs 51 crore,

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
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(b) SBI - GECL 2

Working Capital Term loan (WCTL) of Rs. Nil crore (31 March 2025: Rs. 1.19 crore) availed from State Bank of India is secured by:

Primary - extension of Hypothecation 2nd charge on entire current assets of the Holding Company on pari-passu basis with other banks under consortium banking arrangements.

Collateral

Extension of second charge on fixed assets of the Holding company on pari- passu basis with other consortium members (by way of EM on Land & Bldg. and hypothecation charge on other fixed assets and plant and machinery situated at the Holding Company's factory at Gat No.121 (1,850 sq mt), 126 (3,300 sq mt), 127 (16,500 sq mt), 132 (4,500 sq mt), 133 (20,500 sq mt), 134 (8,000 sq mt) & 141 (7,550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Holding Company. (Total Land area: 62,200 sq mt).

Extension of EM pari passu 2nd charge with consortium members on the entire fixed assets and Land & Building at Survey Nos.1AIB (3.49 acres), 3/2 (3.32 acres), 3/1(1.50 acres), 15/1A(0.28 acre), 1511B (0.16 acre), 15/1C (0.14 acre), No.19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), Admeasuring Total Area : 8.89 acres,

Extension of pari passu 2nd charge with consortium on the Plant & Machinery of the Holding Company at Howrah Factory.

Extension of Mortgage and Pari-passu 2nd charge with the consortium members (1st charge is with Religare Finvest) on the entire fixed assets at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad Land Admeasuring : 41,242 sq mt

(c) UBI GECL 2

Term loan of Rs. 0.29 crore (31 March 2025: Rs. 1.09 crore) availed from Union Bank of India and Union Bank of India (GECL) is secured by:

(i) 2nd charge on the immovable properties of the Holding Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

(ii) 2nd charge on entire movable fixed assets of the Holding Company situated at A1, A2 UPSIDC Industrial area, Sikandrabad, Bulandsahar, UP.

(d) PNB GECL 2

Working Capital Term loan (WCTL) of Rs. Nil crore (31 March 2025: Rs. 0.57 crore) availed from Punjab National Bank is secured by:

Primary - Hypothecation 2nd charge on the security of raw materials, SIP, finished goods stores, spares, receivables and all other current assets. Our charge would rank pari-passu first charge with other members of the consortium.

Collateral

(i) Pari passu 2nd hypothecation charge on factory land and building of the Holding Company with other consortium members, situated at the Holding Company's factory at Gat No.121 (1850 sq mt), 126 (3,300 sq mt), 127 (16,500 sq mt), 132 (4,500 sq mt), 133 (20,500 sq mt), 134 (8,000 sq mt) & 141 (7,550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Holding Company. (total land area: 62,200 sq mt)

(ii) Pari passu 2nd charge with other consortium member banks over plant & machinery at the Nashik Plant.

(iii) Pari passu 2nd hypothecation charge with consortium on the plant and machinery of the Holding Company at Howrah factory.

(iv) Pari passu second hypothecation charge with consortium members on the entire fixed assets and land and building at Survey Nos.1A1B (3.49 acres), 3/2 (3.32 acres), 3/1(1.50 acres), 15/1A(0.28 acre), 15/1B (0.16 acre), 15/1C (0.14 acre), No.19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu, Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), admeasuring total area: 8.89 acres.

(v) Pari passu second hypothecation charge with the consortium members on the entire fixed assets at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandrabad Admeasuring: 41,242 sq mt land.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(e) Vehicle loans - Terms of repayment and nature of security #

Particular of Loan	As at 31 March 2026	As at 31 March 2025	Rate of interest %	Installments starting on	Installments ending on	Repayment mode
Vehicle loan from Tata Motors Finance Limited	-	0.08	10.04% p.a to 10.9% p.a	11-Nov-2020	11-Sep-2025	Monthly
Vehicle loan from Tata Motors Finance Solution Limited	0.02	0.24	10.05% p.a	15-Jun-2023	15-Apr-2026	Monthly

#Secured by vehicle financed

20 Non-current lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Lease liabilities (refer note 42)	3.82	7.73
Total	**3.82**	**7.73**

21 Other non-current financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Security deposits	0.45	0.11
Total	**0.45**	**0.11**

22 Non-current provisions

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Provision for employee benefits		
Gratuity (refer note 41)	7.10	4.58
Total	**7.10**	**4.58**

23 Current borrowings

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Secured		
Working capital loans		
- From banks (cash credit, working capital demand loan facilities and bank overdraft)	118.13	102.94
Current maturities of long-term debt (refer note 19)	0.31	2.87
Factored receivables (refer note 12)	17.81	14.86
Loans repayable on due basis		
- Bill discounting	20.78	14.39
Total	**157.03**	**135.06**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Terms and conditions:

Cash credit and working capital demand loans from banks (repayable on demand)

Particular of Loan	Rate of interest	As at 31 March 2026	As at 31 March 2025 (Restated)
Working capital facilities	Ranges from 11.30% p.a. to 12.00% p.a.	85.27	72.05
Bank overdrafts	Ranges from 6.97% p.a. to 8.73% p.a.	32.85	30.89

Particular of Loan	Rate of interest	As at 31 March 2026	As at 31 March 2025 (Restated)
State Bank of India Limited	6 Month MCLR +2.75% p.a	57.00	53.16
Punjab National Bank Limited	1 year MCLR + 7.85% p.a	11.64	11.22
Union Bank of India Limited	1 year MCLR + 2.75% (WC)FD rate + 1% (OD)	49.48	38.56

These cash credit and working capital demand loan facilities are secured by:

(1) Primary security

Hypothecation 1st charge on the security of raw materials, SIP, finished goods stores, spares, receivables and all other current assets. Our charge would rank pari-passu first charge with other members of the consortium.

(2) Collateral security:

(i) Pari Passu 1st Charge with other consortium member Banks on factory land and building of the Holding Company situated at at Gat No.121 (1850 sq mt), 126 (3300 sq mt), 127 (16500 sq mt), 132 (4500 sq mt), 133 (20500 sq mt), 134 (8000 sq rot) & 141 (7550 sq mt) situated at Village Gonde Dumala, Taluka Igatpuri, District Nashik, in the Registration District and Sub District of Igatpuri, standing in the name of the Holding Company. (Total Land area: 62200 s .mt

(ii) Pari Passu 1st Charge with other consortium member Banks over lant & machine at the Nashik Plant.

(iii) Hypothecation & Pari passu 1st Charge other consortium member Banks on Plant & Machinery of the Holding Company at Howrah Factory

(iv) Pari passu 1 st charge with consortium members on the entire fixed assets and Land & Building at Survey Nos. IA 1B (3.49 acres), 3/2 (3.32 acres), 3/1 (1.50 acres), 15/1A(O.28 acre), 15/1B (0.16 acre), 15/1C (0.14 acre), No. 19, Chinnapuliyur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu , Chinnapuliyur, Thiruvallur, Tamil Nadu, 600040, (Semi Urban), Admeasuring Total Area : 8.89 Acres.

(v) Pari-passu 1 st charge with the consortium members on the entire fixed assets at Al & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad Land Admeasuring : 41242 s mt.

Factored receivables are secured by:

Corporate guarantee given by Ultimate Holding Company.

Bill discounting:

The Group has availed letter of credit ('LCs') facility from State Bank of India Limited and Punjab National Bank Limited for payment to its vendors, against which the monies were yet to be paid by the banks as at 31 March 2026 and 31 March 2025. Amount of facilities availed as at 31 March 2026 and 31 March 2025 are:

Particulars #	As at 31 March 2026	As at 31 March 2025 (Restated)
State Bank of India Limited	20.78	13.74
Punjab National Bank Limited	-	0.65

The repayment terms are 90 days for domestic LCs and 120 days for import LCs, both secured by the same collateral as the cash credit facility with these banks, as mentioned above.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

24 Current lease liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Lease liabilities (refer note 42)	3.91	3.58
Total	**3.91**	**3.58**

25 Trade payables

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Total outstanding dues to micro enterprises and small enterprises	19.65	33.40
Total outstanding dues to trade payables other than micro and small enterprises	156.51	159.00
Total	**176.16**	**192.40**

Notes:

(i) For balance payable to related parties, refer note 46.

(ii) Includes Rs. Nil (31 March 2025: 15.33 crore) in relation to supplier financing arrangements where operational suppliers of goods and services are initially paid by the lender while the Group continues to recognise liability till the settlement with the lender, which are normally effected within a period of 90 days.

Ageing of trade payables as at 31 March 2026 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	10.89	8.74	0.02	-	0.00	19.65
(ii)	Total outstanding dues to trade payables other than micro and small enterprises	51.31	55.31	40.81	7.16	0.29	1.63	156.51
(iii)	Disputed dues of micro enterprises and small enterprises							-
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises							-
	Total	**51.31**	**66.20**	**49.55**	**7.18**	**0.29**	**1.63**	**176.16**

Ageing of trade payables as at 31 March 2025 is as follows:

Sr No	Particulars	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues of micro enterprises and small enterprises	-	25.38	7.87	-	0.01	0.14	33.40
(ii)	Total outstanding dues to trade payables other than micro and small enterprises	61.23	67.10	26.61	1.52	1.01	1.53	159.00
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
(iv)	Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
	Total	**61.23**	**92.48**	**34.48**	**1.52**	**1.02**	**1.67**	**192.40**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

26 Other current financial liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Interest accrued but not due	0.01	0.01
Payable for capital expenditure	0.05	0.07
Employee related payables	4.99	9.91
Other payables*	23.33	6.99
Total	**28.38**	**16.98**

*Includes Rs. 22.62 crore (31 March 2025: 6.50 crore) award received in respect of Nashik plant fire (refer note 53).

27 Other current liabilities

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Contract balances		
Revenue received in advance	1.93	2.01
Statutory dues	2.14	2.35
Other payables*	2.19	0.03
Total	**6.26**	**4.39**

*Includes Rs. 2.00 crore (31 March 2025: Nil crore) received as an advance from buyer in relation to sale of gurugram land.

28 Current provisions

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Provision for employee benefits		
Gratuity (refer note 41)	2.84	1.90
Compensated absences (refer note 41)	1.39	1.12
Total	**4.23**	**3.02**

29 Revenue from operations

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Sale of products	538.87	588.35
Rendering of services	33.90	9.70
Total (A)	**572.77**	**598.05**
Other operating revenues		
Scrap sale	2.77	1.71
Export incentive	0.09	0.05
Total (B)	**2.86**	**1.76**
Total operating income (A+B)	**575.63**	**599.81**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by timing and geography of recognition.

Revenue by time:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Revenue recognised at point in time	538.87	588.35
Revenue recognised over time	33.90	9.70
	572.77	**598.05**

Revenue by geographical market:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Revenue from customers		
India	559.36	585.11
Outside India	13.41	12.94
	572.77	**598.05**

(b) Changes in contract liabilities balances during the year are as follows:

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is recognised as revenue at a point of time. Significant changes in the contract liabilities balance during the year as follows:

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Opening balance	**2.01**	**2.25**
Addition during the year	1.41	2.01
Revenue recognised during the year	(1.49)	(2.25)
Closing balance	**1.93**	**2.01**

(c) Contract balances

Particulars	Year ended 31 March 2026	Year ended 31 March 2025	1 April 2024
Trade receivables (refer note 12)	138.34	147.21	110.89
Revenue received in advance (refer note 27)	1.93	2.01	2.25
	140.27	**149.22**	**113.14**

(d) Reconciliation of revenue recognised with contract price

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Contract price	654.04	704.15
Less: Discount and rebates	(81.27)	(106.10)
	572.77	**598.05**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(e) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

No customer (31 March 2025: One customer accounted for Rs. 63.49 crore) individually accounted for more than ten percent of total revenue.

30 Other income

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Interest income from fixed deposit with banks	3.27	4.62
Net gain on foreign currency transactions and translation	0.04	0.19
Excess liabilities written back	-	3.92
Unwinding of discount on security deposit	0.06	0.01
Gain on lease modification	-	0.09
Profit on disposal of property, plant and equipment (net)	0.00	-
Rental income from Investment Property (refer note 5.4)	0.06	-
Miscellaneous receipts	3.09	1.01
Total	**6.52**	**9.84**

31 Cost of materials consumed

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Cost of materials consumed	321.57	399.42
Total	**321.57**	**399.42**

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Inventories at the beginning of the year	39.76	33.36
Add: Purchases during the year	317.07	405.82
	356.83	**439.18**
Less: Inventories at the end of the year	(35.26)	(39.76)
Total	**321.57**	**399.42**

32 Purchases of stock-in-trade

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Purchases of stock-in-trade	36.82	47.22
Total	**36.82**	**47.22**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

33 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Inventories at the end of the year		
Work-in-progress	6.14	5.71
Finished goods*	55.83	84.51
Total (A)	**61.97**	**90.22**
Inventories at the beginning of the year		
Work-in-progress	5.71	7.82
Finished goods*	84.51	72.13
Total (B)	**90.22**	**79.95**
Increase in inventory (B-A)	**28.25**	**(10.27)**

*Finished goods includes stock-in-trade

34 Employee benefits expense

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Salaries, wages and bonus	62.62	73.58
Contribution to provident and other funds (refer note 41(a))	2.72	3.47
Gratuity expenses (refer note 41(b))	1.34	1.30
Compensated expenses (refer note 41(c))	0.24	0.20
Share based payment expense (refer note 47)	0.68	0.32
Staff welfare expenses	0.89	1.11
Total	**68.49**	**79.98**

35 Finance cost

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Interest expenses		
-On cash credit and working capital demand loan	13.84	9.98
-On term loan	1.66	1.28
Other borrowing costs	7.15	4.60
Interest on lease liabilities	0.99	0.44
Interest others	1.70	1.25
Total	**25.34**	**17.55**

36 Depreciation, amortisation and impairment expenses

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Depreciation and impairment on property, plant and equipment (refer note 5.1)	15.21	12.76
Depreciation on investment property (refer note 5.4)	0.35	-
Depreciation on right-of-use assets (refer note 5.3)	2.80	2.04
Amortisation on intangible assets (refer note 6.1)	1.21	0.98
Total	**19.57**	**15.78**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

37 Other expenses

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Consumption of stores and spare parts	1.39	2.01
Power and fuel	4.80	6.36
Rent (refer note 42)	6.15	6.41
Repairs to building	0.44	0.09
Repairs to plant and machinery	2.35	2.64
Repairs - others	3.55	2.49
Insurance	2.59	2.48
Rates and taxes	2.07	0.75
Printing and stationery	0.57	0.57
Communication expenses	0.43	1.19
Payment to auditors	0.77	0.73
Warehouse management charges	0.51	0.77
Travelling expenses	9.73	11.69
Application charges	30.38	7.77
Freight	43.98	44.60
Allowance for expected credit loss	0.74	0.87
Loss on disposal of property, plant and equipment (net)	-	0.00
Marketing expenses	7.46	18.03
Commission on Sales	0.87	0.98
Contractual labour charges	15.75	19.99
Carrying and forwarding agent	2.35	3.90
Legal and professional charges	3.56	3.45
Recruitment expenses	0.14	0.13
Other welfare expenses	0.69	0.99
Miscellaneous expenses	1.63	2.25
Total	**142.90**	**141.14**

38 Tax expense

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
A Income tax recognised in the Statement of Profit and Loss		
Current tax	-	-
Adjustment of tax relating to earlier years	-	-
Deferred tax (credit)/charge	-	
Income tax expense at effective tax rate reported in the Statement of Profit and Loss	-	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

B Reconciliation of tax expense between accounting profit at applicable tax rate and effective tax rate:

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Accounting profit before income tax	**(65.39)**	**(81.17)**
Tax expense at statutory income tax rate of 31.20% (31 March 2025: 31.20%)	(20.40)	(25.32)
Non-deductible expenses	0.98	0.53
Unrecognised deferred tax asset on tax losses and unabsorbed depreciation*	19.42	24.79
Income tax expense reported in the Consolidated Statement of Profit and Loss	-	-

*As at 31 March 2026 and 31 March 2025, the Holding Company is having significant carry forward losses and unabsorbed depreciation under tax laws. Therefore, in the absence of convincing evidences that sufficient taxable profits will be available against which such carry forward losses and unabsorbed depreciation shall be utilised, the Group has not recognised deferred tax assets.

C Deferred tax Liability

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Deferred tax asset/liabilities are attributable to the following terms:		
Deferred tax assets		
-Loss and expense allowable u/s 35D	0.25	0.25
Subtotal (a)	**0.25**	**0.25**
Deferred tax Liabilities		
Depreciation and related items	(2.29)	(2.73)
Subtotal (b)	**(2.29)**	**(2.73)**
Less: MAT Credit available	-	-
Net Deferred tax asset/liability (a)+(b)	**(2.04)**	**(2.48)**

39 Earnings per share (EPS)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
(a) Net loss attributable for equity shareholders	(64.95)	(81.17)
(b) Weighted average number of equity shares outstanding during the year for calculating basic EPS (nos.)	8,37,11,178	8,37,11,178
(c) Effect of potential dilutive equity shares on employee stock option outstanding (nos.)*	-	-
(d) Weighted average number of Equity shares outstanding during the year for calculating diluted EPS (nos.)	8,37,11,178	8,37,11,178
Face value per equity share (Rs.)	2	2
Basic earnings per share (Rs.)	(7.76)	(9.70)
Diluted earnings per share (Rs.)	(7.76)	(9.70)

*Potential equity shares have not been considered for the computation of diluted EPS as they are anti-dilutive in nature.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

40 A. Contingent liabilities and claims against the Group

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Contingent liabilities, to the extent not provided for in respect of:		
a. Undertakings and letter of credit		
Letter of credit	14.50	16.91
b. Demands		
Sales tax	1.35	1.35
Goods and service tax	3.56	2.52
Income tax*	5.04	5.04
Other legal matters#	14.72	14.72

* It includes an order u/s 263 of the Income Tax Act, 1961, received by the Group during financial year (FY) 2021-22 from the Deputy Commissioner of Income Tax for the AY 2015-16, disallowing provision for freight of Rs. 2.58 crore, thereby decreasing returned loss. However, there will be no additional demand on account of this addition of income as the Group has sufficient carry forward losses to adjust it. The Group has filed an appeal with Commissioner of Income Tax (Appeals) against the order.

It includes exposure towards litigation/disputes relating to various labour cases, eviction matters, money recovery cases etc.

The Group has reviewed all its pending litigations and proceedings and has adequately considered provision made and disclosed as contingent liabilities as applicable, in these Consolidated financial statements. The management believes that with respect to litigation disclosed as contingent liability will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Group.

B. Commitments

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
(i) Estimated amount of contracts remaining to be executed on capital accounts and not provided for, net of advances of Rs. Nil crore (31 March 2025 Rs. 6.86 crore)	-	23.80
(ii) Guarantees issued by the Group's bankers on behalf of the Group in favour of its vendors	9.77	9.41

41 Gratuity and other post employment benefit plans :

a) Defined contribution plans

Contribution to defined contribution plans, recognised as expense for the year is as under:

Employer's contribution to provident and other funds Rs. 2.72 crore (31 March 2025: Rs. 3.47 crore).

b) Defined benefit plan (Gratuity)

The Group operates a defined benefit gratuity plan for its employees in India in accordance with the Payment of Gratuity Act, 1972.

c) Other benefits (Compensated absences)

The employees of the Group are entitled to leaves as per the leave policy of the Group. Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related service are recognised based on actuarial valuation. The expense related to compensated absences are recognised in consolidated statement of profit and loss as employee benefits expense. As the Group does not have an unconditional right to defer settlement for any of the leave obligations, it has disclosed the amount as current liabilities.

The Government of India, on 21 November 2025, notified implementation of four new labour codes — Code on Wages (2019), Industrial Relations Code (2020), Code on Social Security (2020), and Occupational Safety, Health and Working Conditions Code (2020) (hereinafter referred to as "the New Labour Codes").

The New Labour Codes prescribe an uniform definition of the term 'wages', which is also relevant for determination of post-employment benefits including gratuity to all employees. In accordance with the definition, wages means all remuneration including basic pay, dearness allowance and retaining allowance but does not include certain specified items forming part of remuneration and in the event the quantum of those specified items exceed 50% of total remuneration, such excess is deemed to be considered as wages.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
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The revised definition of wages has resulted in an increase in gratuity obligation of Rs. 4.29 crore and Rs. 0.31 crore in respect of compensated absences in respect of services rendered in prior periods, and the Group has treated such incremental impact as past service cost and recognised under 'Exceptional Items' immediately in the statement of profit and loss in the current year in accordance with Ind AS 19, Employee Benefits.

The Group will continue to monitor finalisation of rules and clarifications from government and would provide appropriate accounting effect on the basis of such developments as needed.

The following tables summarises the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet:

Particulars		As at 31 March 2026		As at 31 March 2025 (Restated)	
		Gratuity	Compensated absences	Gratuity	Compensated absences
I	**Change in present value of obligation during the year**				
	Present value of obligation at the beginning of the year	6.52	1.12	7.97	1.19
	Current service cost	0.88	0.44	0.72	0.32
	Past service cost	4.29	0.31		
	Interest cost	0.45	0.08	0.58	0.09
	Actuarial (gain)/loss on obligation	(1.04)	(0.28)	(1.64)	(0.21)
	Benefits paid	(1.05)	(0.28)	(1.11)	(0.27)
	Present value of obligation as at the end of the year	**10.05**	**1.39**	**6.52**	**1.12**
II	**Change in fair value of plan assets during the year**				
	Plan assets at the beginning of the year, at fair value	0.04	-	0.04	-
	Actual return on plan assets	0.07	-	0.00	-
	Plan assets at the end of the year, at fair value	**0.11**	**-**	**0.04**	**-**
III	**Reconciliation of present value of defined benefit obligation and fair value of plan assets**				
1	Present value of obligation as at year-end	10.05	1.39	6.52	1.12
2	Fair value of plan assets at year -end	(0.11)	-	(0.04)	-
3	**Net liability recognised in Balance Sheet**	**9.94**	**1.39**	**6.48**	**1.12**
IV	**Amount to be recognised in the Statement of Profit and Loss**				
	-Under head Employee benefit expense				
1	Current service cost	0.88	0.44	0.72	0.32
2	Interest cost	0.45	0.08	0.58	0.09
3	Expected return on plan assets	-	-	-	-
4	Actuarial loss	-	(0.28)	-	(0.21)
	-Under head exceptional item				
5	Past service cost	4.29	0.31		
	Net cost recognised	**5.62**	**0.55**	**1.30**	**0.20**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
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	Particulars	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
		Gratuity	Gratuity
V	**Amount recognised in Other Comprehensive Income**		
	Actuarial gain arising from changes in demographic assumptions	-	(1.28)
	Actuarial loss/(gain) arising from changes in financial assumptions	(0.21)	0.20
	Actuarial gain arising from experience adjustment	(0.83)	(0.56)
	Actuarial gain /(loss) for the year on Asset	(0.07)	0.00
	Net actuarial gain	**(1.11)**	**(1.64)**

	Particulars	As at 31 March 2026		As at 31 March 2025 (Restated)	
		Gratuity	Leave encashment	Gratuity	Leave encashment
VI	**Division of DBO at the end of the year**				
1	Current liability	2.84	1.39	1.90	1.12
2	Non-current liability	7.10	-	4.58	-

	Particulars	As at 31 March 2026		As at 31 March 2025	
		Gratuity	Leave encashment	Gratuity	Leave encashment
VII	**Actuarial assumptions (principle)**				
1	Discount rate	7.70%	7.70%	6.93%	6.93%
2	Mortality table	100 % of IALM (2012 - 14)	100% of IALM (2012 - 14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)
3	Salary escalation*	9%	9%	9.00%	9.00%
4	Withdrawal rate	24%	24%	24%	24%

*The estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

VIII	**Sensitivity analysis***		**As at 31 March 2026**		**As at 31 March 2025**	
			Impact on liabilities		**Impact on liabilities**	
	Assumption	**Changes in assumption**	**Increase**	**Decrease**	**Increase**	**Decrease**
	Gratuity					
	Discount rate	+/- 0.50% movement	(0.14)	0.14	(0.29)	0.31
	Future salary growth	+/- 0.50% movement	0.14	(0.13)	0.31	(0.28)
	Leave encashment					
	Discount rate	+/- 0.50% movement	(0.02)	0.02	(0.05)	0.05
	Future salary growth	+/- 0.50% movement	0.02	(0.02)	0.05	(0.05)

*The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

IX Description of risk exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks as follows -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determined the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The plan exposes the Group to the risk of decrease in interest rates. A decrease in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk - This is the risk that the Group is not able to meet the short term benefit payout. This may arise due to non-availability of enough cash and cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

E) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

X The following are maturity profile of defined benefit obligations (discounted) in future years (before adjusting fair value of plan assets):

Years	Gratuity	
	31 March 2026	31 March 2025
0 to 1 year	2.76	1.90
1 to 2 years	1.98	1.23
2 to 3 years	1.40	0.87
3 to 4 years	1.07	0.67
4 to 5 years	0.71	0.49
5 to 6 years	0.61	0.32
6 years onwards	1.44	1.04

XI The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	Gratuity	
	31 March 2026	31 March 2025
Funds managed by insurer	100%	100%

XII Expected contribution for the next annual reporting period

Particulars	Gratuity		Leave encashment	
	31 March 2026	31 March 2025	31 March 2026	31 March 2025
Service cost	1.26	0.79	0.97	0.76
Net interest cost	0.75	0.45	0.11	0.08
Expected expense for the next annual reporting period	**2.01**	**1.24**	**1.08**	**0.84**

*Expected contribution to the plan assets is Nil.

42 Lease related disclosures as lessee

The Group's lease asset class primarily consists of leases for land, corporate office, warehouses and equipments. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate ranging 10.70-12.16% (31 March 2025: 10.70-12.16%).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities.

(i) Lease liabilities are presented in the Balance Sheet as follows:

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Current	3.91	3.58
Non-current	3.82	7.73
Total	**7.73**	**11.31**

(ii) The following are amounts recognised in the Statement of Profit and Loss:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025 (Restated)
Depreciation expense of right-of-use assets (refer note 36)	2.80	2.04
Interest expense on lease liabilities (refer note 35)	0.99	0.44
Rent expense* (refer note 37)	6.15	6.41
Total	**9.94**	**8.89**

*Rent expense for short-term leases and not included in the measurement of lease liability.

(iii) The right-of-use assets relating to leases are as follows:

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025 (Restated)
Balance at the beginning of the year	26.99	17.92
Add: Addition on account of new leases entered during the year	-	12.62
Less: Disposal/ adjustment due to modification in leases	-	(1.51)
Less: Depreciation expenses charged on right-of-use assets	(2.80)	(2.04)
Balance at the end of the year	**24.19**	**26.99**

(iv) Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the consolidated financial statements.

(v) Maturity of lease liabilities

Future minimum lease payments for year ended 31 March 2026 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	4.49	0.58	3.91
Later than 1 year not later than 5 years	4.00	0.18	3.82
Later than 5 years	-	-	-
Total	**8.49**	**0.76**	**7.73**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Future minimum lease payments for year ended 31 March 2025 are as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	4.57	0.99	3.58
Later than 1 year not later than 5 years	0.76	0.76	-
Later than 5 years	-	-	-
Total	**5.33**	**1.75**	**3.58**

Total cash outflow for principal element of lease liabilities for the year ended 31 March 2026 was Rs. 3.58 crore (31 March 2025 Rs.2.04 crore).

43 Fair value measurements

A Financial instruments by category

Financial Assets

Particulars	As at 31 March 2026			As at 31 March 2025 (Restated)		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
1. Financial assets						
Trade receivables	138.34	-	-	147.21	-	-
Cash and cash equivalents	7.14	-	-	7.06	-	-
Other bank balances	39.95	-	-	38.41	-	-
Other financial assets	6.27	-	-	15.67	-	-
(A)	**191.70**	**-**	**-**	**208.35**	**-**	**-**
2. Financial liabilities						
Borrowings	157.03	-	-	152.54	-	-
Trade payables	176.17	-	-	192.40	-	-
Lease liabilities	7.73	-	-	11.31	-	-
Other financial liabilities	28.83	-	-	17.10	-	-
(B)	**369.76**	**-**	**-**	**373.35**	**-**	**-**

Fair value hierarchy

Fair value of cash and cash equivalent, bank balances other than cash and cash equivalent, trade receivables, other financial assets, trade payables, borrowings, other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced of liquidation sale.

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted prices included within Level 1 which maximise the use of observable market data and rely on as little as possible on the entity specific estimates for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 31 March 2026 and 31 March 2025:

	As at 31 March 2026			As at 31 March 2025		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments:						
Unquoted equity shares	-	-	0.00	-	-	0.00
	-	**-**	**0.00**	**-**	**-**	**0.00**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

44 Financial risk management

The Group's principle financial liabilities comprise of borrowings, lease liabilities, trade payables and other payables. The Group's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

A Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Group primarily sells paints and coatings to customers operating in India and outside India. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate. Considering the nature of trade receivables, and entity's history of credit with those receivables, entity has rebutted the presumption of having significant increases in credit risk since initial recognition for financial assets which are more than 30 days past due.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high external rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans and securities deposits

The Group provides loans to its employees/subsidiaries and furnish security deposit to various parties for electricity, communication, etc. The Group considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

Investments

The Group has invested in unquoted equity instruments and preference shares of its subsidiaries, and other company. The management actively monitors the operation of subsidiaries and other company which affect investments. The Group does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

(a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Cash and cash equivalents	7.14	7.06
Other bank balances	39.95	38.41
Other financial assets	6.27	15.67
	53.36	**61.14**
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	138.34	147.21
	138.34	**147.21**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Provision for expected credit loss

(i) Financial assets for which loss allowance is measured using 12 months expected credit loss

The Group has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

(ii) Financial assets for which loss allowance is measured using life time expected credit loss

For trade receivables, the Group follows the approach of a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables (net) before adjustment of expected credit loss provision of Rs. 7.73 crore (31 March 2025: Rs. 7.01 crore) as of the reporting date is as follows:

Particulars	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
Trade receivables (gross)	96.32	28.46	8.54	5.00	4.22	3.53	146.07
Less: Allowance for expected credit loss	1.93	0.32	0.49	1.00	1.76	2.23	7.73
Trade receivables (net)	94.39	28.14	8.05	4.00	2.46	1.30	138.34
Expected credit loss %	2.00%	1.14%	5.78%	19.95%	41.60%	63.26%	5.29%

Particulars	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025							
Trade receivables (gross)	119.12	21.01	4.17	6.23	2.05	1.64	154.22
Less: Allowance for expected credit loss	1.60	0.38	0.18	1.46	1.75	1.64	7.01
Trade receivables (net)	117.52	20.63	3.99	4.77	0.30	-	147.21
Expected credit loss %	1.34%	1.82%	4.26%	23.41%	85.39%	100.00%	4.55%

Movement in expected credit loss allowance on trade receivables

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Balance at the beginning of the year	7.01	5.90
Provided during the year	0.73	0.87
Reversal/adjustment during the year	(0.01)	0.24
Balance at the end of the year	**7.73**	**7.01**

B Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

Expected maturity for financial liabilities having contractual undiscounted maturities

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2026					
Borrowings	157.03	118.12	38.91	-	**157.03**
Lease liabilities	7.73	-	4.49	4.00	**8.49**
Trade and other payables	176.16	-	176.16	-	**176.16**
Other financial liabilities	28.83	-	28.38	0.45	**28.83**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Particulars	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
31 March 2025					
Borrowings	152.55	102.94	34.58	20.73	**158.25**
Lease liabilities	11.31	-	4.57	8.49	**13.06**
Trade and other payables	192.40	-	192.40	-	**192.40**
Other financial liabilities	17.09	-	16.98	0.11	**17.09**

C Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. The Group is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest risk and commodity price risk which results from its operating, investing and financing activities.

(a) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest rate risk exposure

Particulars	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	118.42	122.98
Total borrowings	**118.42**	**122.98**

Sensitivity on variable rate borrowings

Particulars	Impact on profit/(loss) before tax and equity	
	For the year ended 31 March 2026	For the year ended 31 March 2025
INR borrowings		
Interest rate increase by 50 basis points	(0.59)	(0.61)
Interest rate decrease by 50 basis points	0.59	0.61

(b) Commodity price risk

Commodity price risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Group is exposed to the movement in price of key raw materials in domestic and international markets.

(c) Other price sensitivity

The Group is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
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45 Capital risk management

The Group's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued share capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Group may use appropriate means to enhance or reduce the capital, as the case may be.

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Total borrowings (including lease liabilities)	164.76	163.86
Less: Cash and cash equivalents, bank balances and deposits including interest accrued thereon	49.77	55.85
Net debt	**114.99**	**108.01**
Total equity	251.18	314.25
Capital and net debt	**366.17**	**422.26**
Gearing ratio	31%	25.58%

46 Related party transactions

A List of related parties and relationships with whom transactions were entered during the year

Name of related party	Country of incorporation	Ownership interest	
		31 March 2026	31 March 2025
(a) Ultimate Holding Company			
1 Hella Infra Market Limited	India	52.85%	52.85%

(b) Key managerial personnel (KMP)	
1 Mr. Ashok Kumar Gupta	Managing Director (Ceased w.e.f. 02 July 2024)
2 Mr. C. Venugopal*	COO & Whole-time Director (Appointed w.e.f. 23 July 2024 till 04 March 2026)
3 Mr. Kuldip Raina	Managing Director & CEO (Appointed w.e.f. 10 April 2025)
4 Mr. Abhyuday Jindal	Non-Executive Non-Independent Director (Ceased w.e.f. 15 July 2024)
5 Dr. Rajeev Uberoi	Non-Executive Independent Director
6 Mr. Souvik Pulakesh Sengupta	Non-Executive Non-Independent Director
7 Mr. Aaditya Gajendra Sharda	Non-Executive Non-Independent Director (Appointed w.e.f. 11 April 2024)
8 Mr. Vijay Kumar Sharma	Non-Executive Independent Director (Ceased w.e.f. 04 October 2023 and re-appointed w.e.f. 23 July 2024)
9 Mr. Sanjiv Garg	Non-Executive Independent Director (Ceased w.e.f. 09 August 2024)
10 Ms. Shan Jain	Non-Executive Independent Director
11 Mr. Atul Rasiklal Desai	Non-Executive Independent Director
12 Mr. Sachin Naik	Chief Financial Officer (Ceased w.e.f. 30 May 2026)
13 Ms. Shikha Rastogi	Company Secretary (Ceased w.e.f. 02 December 2024)
14 Ms. Snehal Saboo	Company Secretary (Appointed w.e.f. 10 February 2025)

*Mr. C Venugopal has resigned from the position of Whole-time director w.e.f 04 March 2026. He continues to serve the Holding Company in the position of Chief Operating Officer (COO).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(c) Relative of KMP	
1 Ms. Minal Shrikant Naik	Mother of Mr. Sachin Naik
2 Ms. Rohini Venugopal	Spouse of Mr. C. Venugopal
3 Abhay Kumar HUF	Relative of Ms. Shikha Rastogi
(d) Entities in which a KMP/ director or his/her relative is a member or director	
1 Hella Infra Market Retail Private Limited	Other related party
2 Hella Chemical Market Private Limited	Other related party
3 RDC Concrete (India) Limited	Other related party
4 Amstard Consumers Private Limited	Other related party
5 Jindal Stainless Limited	Other related party

B Related party transaction

Particulars	**Amount**	
	Year ended 31 March 2026	**Year ended 31 March 2025 (Restated)**
Reimbursement of expenses incurred by Group		
Mr. C Venugopal	-	0.00
Mr. Ashok Kumar Gupta	-	0.01
Mr. Sachin Naik	0.01	0.02
Ms. Shikha Rastogi	0.00	0.00
Ms. Snehal Saboo	-	0.00
Remuneration paid to KMPs (Short term employee benefits)		
Mr. C Venugopal	1.06	1.79
Mr. Ashok Kumar Gupta	-	0.64
Mr. Kuldip Raina	1.23	-
Mr. Sachin Naik	0.80	1.09
Ms. Shikha Rastogi	-	0.26
Ms. Snehal Saboo	0.18	0.03
Car hiring		
Ms. Minal Shrikant Naik	0.07	0.06
Abhay Kumar HUF	-	0.01
Ms. Rohini Venugopal	0.04	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
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Particulars	Amount	
	Year ended 31 March 2026	Year ended 31 March 2025 (Restated)
Sale of products		
Jindal Stainless Limited	2.38	12.59
Hella Infra Market Retail Private Limited	(0.00)	(0.06)
Hella Infra Market Limited	0.34	1.22
IM Inicio Projects Private Limited	-	
Purchase of products		
Hella Chemical Market Private Limited	-	6.70
Hella Infra Market Limited	0.11	0.81
Hella Infra Market Retail Private Limited	0.12	0.11
Amstard Consumers Private Limited	0.78	-
Rent		
Hella Infra Market Retail Private Limited	-	0.23
Jindal Stainless Limited	-	0.01
Directors sitting fees (Short term employee benefits)		
Mr. Rajeev Uberoi	0.09	0.09
Mr. Atul Rasiklal Desai	0.04	0.04
Mr. Sanjiv Garg	-	0.03
Mr. Vijay Kumar Sharma	0.06	0.03
Ms. Shan Jain	0.06	0.06

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Salary payable at the end of the year		
Mr. C Venugopal	-	0.11
Mr. Sachin Naik	-	0.07
Ms. Snehal Saboo	-	0.01
Receivables/(payables)		
Jindal Stainless Limited - Sale	3.83	2.16
Hella Infra Market Retail Private Limited - Sale	0.09	0.26
Hella Infra Market Retail Private Limited - Revenue received in advance	-	(0.17)
Hella Infra Market Retail Private Limited - Purchase	-	(0.01)
Hella Chemical Market Private Limited - Purchase	(0.32)	(1.59)
Hella Infra Market Private Limited - Purchase	(0.11)	-
Amstard Consumers Private Limited - Purchase	(0.06)	-
Hella Infra Market Limited - Sale	0.01	1.20

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

Notes:

1 Related party relationship is as identified by the management and relied upon by the auditors.

2 The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash.

3 The remuneration to the KMP's does not include the provision made for gratuity and leave benefit as these are determined for the Group as a whole.

4 Refer note 19 and 23 for guarantees and securities given by the related parties in respect of borrowings of the Holding Company. No guarantees were given by the Holding Company.

5 Transaction with Key management personnel does not include post-employment benefits based on actuarial valuation as it is done for the Company as a whole .

47 Share based payments (Equity settled)

A The ESOP 2022 scheme was approved by the Board of Directors of Holding Company and the shareholders on 10 August 2022 and 29 September 2022 respectively. As per the ESOP 2022 scheme, options have been granted to the eligible employees of the Group which will vest over the period of four years at the end of 1 year from the grant date. The relevant details of the scheme are as follows:

I Option movement during the year ended:

Particulars	31 March 2026		31 March 2025	
	No. of options	Weighted average exercise price (in Rs.)	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	7,76,130	139.20	13,11,140	139.20
Options granted during the year	-	-	-	-
Options lapsed during the year	3,79,310	-	5,35,010	-
Options exercised during the year	-	-	-	-
No. of options outstanding at the end of the year	3,96,820	139.20	7,76,130	139.20
No. of options exercisable at the end of the year	-	-	-	-

II Weighted average remaining contractual life

Particulars	31 March 2026		31 March 2025	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
Weighted average remaining contractual life	3,96,820	3.68	7,76,130	1.08

III Method and assumptions used to estimate the fair value of options granted:

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

The assumptions used in the model are as follows:

Variables	31 March 2026	31 March 2025
	Weighted average	Weighted average
1. Risk-free rate of return	6.99%-7.14%	6.99%-7.14%
2. Time to maturity	1.25 to 4.25 years	1.25 to 4.25 years
3. Expected volatility	35.49%-50.56%	35.49%-50.56%
4. Expected divided yield	-	-
5. Exercise price (Rs.)	139.20	139.20
6. Price of the underlying share in market at the time of the option grant (Rs.)	147.50	147.50

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

IV Effect of employee stock option scheme on the Statement of Profit and Loss and Balance Sheet

Particulars	31 March 2026	31 March 2025
Employee option plan expense	0.68	0.32
Share options outstanding at the end of the period	1.47	1.77

48 The subsidiary Companies considered in the Consolidated financial statements are:

Particulars	Country of Incorporation	% of holding		Accounting period
		As at 31 March 2026	As at 31 March 2025	
Shalimar Adhunik Nirman Limited	India	99.99	99.99	01-April-2025-31-March-2026
IM Inicio Projects Private Limited	India	100.00	100.00	01-April-2025-31-March-2026

49 Net debt reconciliation

Particulars	As at 31 March 2026	As at 31 March 2025 (Restated)
Non-current borrowings (including current maturities)	(0.31)	(20.36)
Current borrowings	(123.87)	(101.30)
Cash and cash equivalents, bank balances and deposits including interest accrued thereon	16.92	24.96
Lease liabilities	(7.73)	(11.31)
Net debt	**(114.99)**	**(108.01)**

Particulars	Lease liabilities	Cash and cash equivalents, bank balances and deposits including interest accrued thereon	Non-current borrowings (including current maturities)	Current borrowings	Total
Balance as at 01 April 2024	(2.68)	75.89	(32.42)	(42.34)	**(1.55)**
Cash flows (net)	-	(50.93)	-	-	**(50.93)**
New leases	(12.27)	-	-	-	**(12.27)**
Disposal of leases	1.60	-	-	-	**1.60**
Repayment of lease liabilities	2.04	-	-	-	**2.04**
Proceeds from borrowings (net of transaction fees)	-	-	-	(58.96)	**(58.96)**
Repayment of borrowings	-	-	12.06	-	**12.06**
Interest expense	(0.44)	-	(1.28)	(14.58)	**(16.30)**
Interest expense paid	0.44	-	1.28	14.58	**16.30**
Balance as at 31 March 2025	**(11.31)**	**24.96**	**(20.36)**	**(101.30)**	**(108.01)**
Cash flows (net)	-	(8.04)	-	-	**(8.04)**
Repayment of lease liabilities	3.58	-	-	-	**3.58**
Proceeds from borrowings (net of transaction fees)	-	-	-	(22.57)	**(22.57)**
Repayment of borrowings	-	-	20.05	-	**20.05**
Interest expense	(0.99)	-	(1.66)	(21.00)	**(23.65)**
Interest expense paid	0.99	-	1.66	21.00	**23.65**
Balance as at 31 March 2026	**(7.73)**	**16.92**	**(0.31)**	**(123.87)**	**(114.99)**

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

50 During the current year, the Group through its wholly owned subsidiary, IM Inicio Projects Private Limited (formerly Eastern Speciality Paints & Coatings Private Limited) ("Inicio"), has acquired the painting services business ("Demerged Undertaking") from its Ultimate Holding Company, Hella Infra Market Limited ("Hella Infra") vide Business Transfer Agreement (BTA) dated 1 July 2025 as a going concern for a consideration of Rs. 0.26 crore. Such transaction has been accounted in accordance with Appendix C " Business combinations of entities under common control" of Ind AS 103. In accordance with the terms of the BTA, Inicio assumed net liabilities amounting to Rs. 0.20 crore. Consequently, Rs. 0.46 crore has been adjusted to reserves. Considering the painting services business was commenced by Hella Infra from 1 October 2024, therefore the comparative consolidated financial statements for the previous year has been restated as under:

Change in revenue from operations, total expenses, loss before tax, loss after tax and total comprehensive loss:

Particulars	Year ended 31.03.2025	
	Reported	Restated
Revenue from operations	599.06	599.81
Total expenses	689.06	690.82
Loss before tax	(80.16)	(81.17)
Loss after tax	(80.16)	(81.17)
Total comprehensive loss	(78.52)	(79.53)

Change in total assets, total liabilities and total equity:

Particulars	As at 31.03.2025	
	Reported	Restated
Total assets	702.28	702.07
Total liabilities	387.30	387.82
Total equity	314.98	314.25

51 Disclosure of additional information pertaining to the parent company, subsidiaries and associates as per Schedule III of Companies Act, 2013:

Year ended 31 March 2026

Name of the Company	Net Assets (Total Assets-Total Liabilities)		Share in profit/ loss		OCI		TCI	
	as % of consolidated net assets	Net assets	as % of consolidated profit or loss	Profit/ (Loss)	as % of consolidated OCI	OCI	as % of consolidated TCI	TCI
Shalimar Paints Limited	94.62%	237.66	97.51%	(63.34)	100.00%	1.11	97.47%	(62.23)
Indian Subsidiaries								
Shalimar Adhunik Nirman Limited	5.87%	14.74	0.13%	(0.08)	0.00%	-	0.13%	(0.08)
IM Inicio Projects Private Limited	0.89%	2.23	2.88%	(1.87)	0.00%	-	2.93%	(1.87)
Consolidation adjustments	-1.37%	-3.45	-0.52%	0.34	0.00%	-	-0.53%	0.34
Total	**100.00%**	**251.18**	**100.00%**	**-64.95**	**100.00%**	**1.11**	**100.00%**	**-63.84**

Year ended 31 March 2025

Name of the Company	Net Assets (Total Assets-Total Liabilities)		Share in profit/ loss		OCI		TCI	
	as % of consolidated net assets	Net assets	as % of consolidated profit or loss	Profit/ (Loss)	as % of consolidated OCI	OCI	as % of consolidated TCI	TCI
Shalimar Paints Limited	95.21%	299.21	98.70%	(80.11)	100.00%	1.64	98.68%	(78.47)
Indian Subsidiaries								
Shalimar Adhunik Nirman Limited	4.72%	14.82	0.55%	(0.45)	0.00%	-	0.56%	(0.45)
IM Inicio Projects Private Limited	0.14%	0.45	0.92%	(0.75)	0.00%	-	0.94%	(0.75)
Consolidation adjustments	-0.07%	(0.23)	-0.17%	0.14	0.00%	-	-0.18%	0.14
Total	**100.00%**	**314.25**	**100.00%**	**-81.17**	**100.00%**	**1.64**	**100.00%**	**-79.53**

52 Segment information

The business activities of the Group predominantly fall within a single reportable business segment, i.e. manufacturing of paints within India and sale of paints within India and outside India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 'Operating Segments'. The aforesaid is in line with review of operating results by the chief operating decision maker.

53 The Group's manufacturing plant situated at Nashik got a massive fire on 19 November 2016, which caused extortionate damage to the Group, both on account of loss of assets i.e. building, plant and machinery, inventory etc. vis-à-vis loss of the profit during the period.

The Group had taken two insurance policies from United India Insurance Company Limited viz. Loss of Profit Policy and Reinstatement Policy and had filed the claims against those policies with the insurance company. The status of those claims is as under:

(i) The Group had claimed Rs. 32.90 crore in respect of Nashik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their survey report at Rs. 22.14 crore (loss of production method) and at Rs. 22.63 crore (turnover method) and thereafter further reduced the amount to Rs. 18.32 crore, which has been received as an interim payment during earlier financial years. Aggrieved with the assessment being not fully indemnified, the Group invoked arbitration and has filed its claim of Rs. 12.57 crore before the Arbitral Tribunal, which is currently pending for adjudication.

(ii) The Group had claimed Rs. 59.35 crore in respect of Nashik Plant fire under Reinstatement Policy, and the surveyor appointed by the insurer had assessed the claim vide their survey report at Rs. 21.89 crore. Against the aforesaid claim, the Group had received total Rs. 20.91 crore in earlier financial years. Aggrieved with the assessment being not fully indemnified, the Group invoked arbitration and had filed its claim of Rs. 37.93 crore before the Arbitral Tribunal. On 5 January 2024, the arbitrator awarded Rs. 20.01 crore to the Group against the claim under the Reinstatement Policy. The insurers are appealing this favourable order at the Delhi High Court, and the entire award was deposited as a money decree. By order dated 22 October 2024, the Group received the right to release the entire award in favor of the decree-holder, subject to furnishing security to the satisfaction of the Registrar General, Delhi High Court. The Group has realised the entire amount by providing the necessary security. The Group has not recognized this as income and has shown it as payable under Other Financial Liabilities until the case is finalized.

54 The Division Bench of Hon'ble High Court of Calcutta passed an order on 07 May 2009 requiring the Group to give immovable property to the extent of Rs. 4.50 crore as security in favour of Tara Properties Private Limited (the landlord of property at 13, Camac Street, Kolkata). The Group has given portion of its land at Goaberia (adjacent to Howrah plant), as security. Refer note 5.1(f).

55 Additional regulatory information not disclosed elsewhere in the financial information

a The Group has used the borrowings from banks and financial institutions for the specific purposes for which it were taken at the balance sheet date (refer note 19 and 23).

b The Group has not revalued its property, plant and equipment (including right of use assets) or intangible assets during the current or previous year (refer notes 5 and 6).

c The Group has not traded or invested in crypto currency or virtual currency during the current and previous year (refer note 8).

d The Group has not granted loans or advances in the nature of loans to its promoters, directors, KMPs and other related parties (as defined under Companies Act, 2013), either severally or jointly with any other person other than referred in note 46.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

e No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

f **Reconciliation of amount as per quarterly returns shared with banks and books:**

(i)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2025	Punjab National Bank Limited, State Bank of India Limited, Union Bank of India Limited	Refer note 19 and 23	Inventories	125.51	125.16	0.35	Difference is due to book closure entries which pertain to adjustment of Rs. 0.35 crore.
30 September 2025				122.96	125.27	(2.31)	Difference is due to book closure entry which pertains to provision of Rs. 2.00 crore and adjustment of Rs. 0.31 crore.
31 December 2025				116.34	116.12	0.22	Difference is due to book closure entries which pertain to adjustment of Rs. 0.22 crore.
31 March 2026				102.14	102.15	(0.01)	Difference is due to book closure entries which pertain to adjustment of Rs. 0.01 crore.

(ii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2024	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 19 and 23	Inventories	131.00	128.66	2.34	Difference is due to book closure entries which pertain to provision of Rs.2.03 crore and adjustment of Rs. 0.31 crore.
30 September 2024				152.13	143.64	8.49	Difference is due to book closure entry which pertains to provision of Rs. 8.10 crore and adjustment of Rs. 0.39 crore.
31 December 2024				122.45	114.91	7.54	Difference is due to book closure entries which pertain to provision of Rs.7.59 crore and adjustment of Rs. 0.05 crore.
31 March 2025				133.87	134.86	(0.99)	Difference is due to sales reversal impact of Rs. 0.98 crore and adjustment of Rs. 0.01 crore.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

(iii)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2025	Punjab National Bank Limited, State Bank of India Limited, Union Bank of India Limited	Refer note 19 and 23	Trade receivables	141.81	162.33	(20.52)	Difference is majorly due to retention money amounted to Rs. 2.53 crore not considered in quarterly returns. Balance of Rs 16.04 crore pertains to sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date and Rs 7.01 crores pertains to provision for doubtful debts.
30 September 2025				142.39	159.29	(16.90)	Difference is majorly due to retention money amounted to Rs 3.67 crore not considered in quarterly return. Balance of Rs 13.56 crore pertains to sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date and Rs 7.01 crores pertains to provision for doubtful debts.
31 December 2025				129.55	146.63	(17.08)	Difference is majorly due to retention money amounted to Rs 4.48 crore not considered in quarterly return. Balance of Rs 13.83 crore pertains to sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date and Rs. 7.73 crores pertains to provision for doubtful debts .
31 March 2026				135.39	152.81	(17.42)	Difference is majorly due to retention money amounted to Rs 5.20 crore not considered in quarterly return. Balance of Rs 16.42 crore pertains to last day sales reversal, reversal of debit notes raised for cash discount in case of non recovery from the customer and provision for interest charged to customer on account of late payment from due date, Rs. 1.93 crore for advance from customer and Rs 7.73 crores pertains to provision for doubtful debts.

Notes to the Consolidated Financial Statements for the year ended 31 March 2026

(All amounts are in Rupees crore, unless otherwise stated)

(iv)

Quarter ended	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
30 June 2024	Punjab National Bank Limited, State Bank of India Limited, HDFC Bank Limited, Union Bank of India Limited	Refer note 19 and 23	Trade receivables	107.93	126.89	(18.96)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 6.79 crore, stock transfer balance of Rs. 0.43 crore, cash discount reversal of Rs. 0.81 crore, debtors grossing up Rs. 2.58 crore, sales reversal of Rs.13.57 crore and other audit adjustments of Rs. 0.37 crore.
30 September 2024				113.26	134.47	(21.21)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 6.79 crore, stock transfer balance of Rs. 0.92 crore, debtors grossing up Rs. 2.40 crore, sales reversal of Rs.16.40 crore and other audit adjustments of Rs. 1.33 crore.
31 December 2024				120.59	145.46	(24.87)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 6.79 crore, stock transfer balance of Rs. 1.02 crore, debtors grossing up Rs. 2.28 crore, sales reversal of Rs.18.92 crore and other audit adjustments of Rs. 2.45 crore.
31 March 2025				147.87	170.99	(23.12)	Difference is majorly due to allowance for expected credit loss on trade receivables of Rs. 7.01 crore, stock transfer balance of Rs. 0.83 crore, sales reversal of Rs.17.68 crore and other audit adjustments of Rs. 0.74 crore.

g The Group has not been declared as wilful defaulter by any bank or financial Institution or other lender.

h The Group did not have any material transactions with Companies struck off under section 249 of Companies Act,2013 or section 560 of Companies Act,1956 during the financial year.

i The Group has registered with Ministry of Corporate Affairs/ Registrar of Companies, all charges or satisfaction within the statutory time period.

j The Group is compliant in respect of number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

k The Group has not entered into any scheme of arrangement in the current and previous year.

l The Group has not advanced or provided loan to or invested funds in entity including foreign entity or to any other person with the understanding that the intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

m The Group has not received any funds from any person or entity including foreign entity with the understanding that the Group shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

n In view of continued losses, the Group is not covered by Section 135 of the Companies Act, 2013 dealing with CSR activities.

o The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

Notes to the Consolidated Financial Statements for the year ended 31 March 2026
(All amounts are in Rupees crore, unless otherwise stated)

56 During the year, the Group incurred a net loss after tax of Rs. 64.95 crore and has accumulated losses aggregating to Rs. 529.75 crore as at 31 March 2026. Further, the Group's current liabilities exceed its current assets by Rs. 70.42 crore as at that date. However, considering management's plans for monetisation of certain assets, availability of additional credit facilities under the ECLGS 5.0 scheme, expected growth opportunities under future business plans, and financial support committed by the Holding Company to meet foreseeable obligations, these consolidated financials statements have been prepared on a going concern basis.

57 The Ministry of Corporate Affairs (MCA) has prescribed a new requirement for companies under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 inserted by the Companies (Accounts) Amendment Rules 2021 requiring companies, which uses accounting software for maintaining its books of accounts, shall use only such accounting software which has a feature of recording audit trail of each and every transaction, creating an edit log of each change made in the books of accounts along with the date when such changes were made and ensuring that the audit trail cannot be disabled. Except for the matters mentioned below, the Group has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the period for all relevant transactions recorded in the accounting software at the application level. Further, the audit trail at application level has been preserved by the Group as per the statutory requirements of record retention.(a) The database of the said accounting software of Holding Company is operated by a third-party software provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organization) does not provide any information for any direct changes made at the database level of the said software for the aforesaid period.

58 Amounts below the rounding off norms adopted by the Group are presented as "0".

59 Previous year figures have been regrouped/reclassified, wherever considered necessary in order to comply with financial reporting requirements. The impact of such regrouping/reclassification is not material to these consolidated financial statements.

The accompanying notes are an integral part of Consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Mayank Jain
Partner
Membership No.: 512495

Place : Mumbai
Date : 28 May 2026

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

Kuldip Raina
Managing Director & CEO
DIN:- 10956069

Aaditya Gajendra Sharda
Director
DIN: 07024283

Sachin Naik
Chief Financial Officer

Snehal Saboo
Company Secretary
Mem. No:- ACS A49811

Place : Mumbai
Date : 28 May 2026

Shalimar Paints Limited

CIN: L24222HR1902PLC065611

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

Corporate Office: Olethia Business Spaces, Plot No. A184 and A185, Road No. 16Z, Opposite Ashar IT Park, Wagle Industrial Estate, Thane, Maharashtra 400604

Email: askus@shalimarpaints.com; **Website**: www.shalimarpaints.com;

Toll Free: 1800 103 6509

E-COMMUNICATION REGISTRATION FORM

To,

Beetal Financial & Computer Services Pvt Ltd.

[Unit: Shalimar Paints Limited]

Beetal House, 3rd Floor,

99, Madangir, Behind LSC, New Delhi – 110062

Ph. 011-29961281-283, 26051061, 26051064

Fax 011-29961284

Email: beetalrta@gmail.com

Green initiative on Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client No.: ………

Name of 1st Registered Holder: ………

Name of Joint Holder(s), if any: ………

Registered Address of the Sole/1st Registered Holder……………………………………………………………………………………

No. of Shares held: ……

E-mail ID (to be registered): ………

Date: ……………………………………………………

Signature: ……………………………………………

Notes:

1) On registration, all communications will be sent to the e-mail ID registered.
2) Shareholders are requested to keep the Company's Registrar - Beetal Financial & Computer Services Pvt Ltd. informed as and when there is any change in the e-mail address.

Notes

SHALIMAR
PAINTS
SINCE 1902

Har Rang Khoobsurat

Registered Office: Stainless Centre, 4th floor, plot no. 50. Sector 32, Gurugram, Haryana - 122001
Corporate Office: Olethia Business Spaces, Road No 16Z, Opp. Ashar IT Park, Wagle Industrial Estate, Thane (W) 400604
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