



Shalimar Paints Limited

ANNUAL REPORT 2012-13

EXTENSIVE RANGE OF DECORATIVE PAINTS

EXTERIOR WALLS

- Emulsion Paints • Cement Paints



INTERIOR WALLS

- Emulsion Paints • Distemper Paints



CELEBRATING
111th
YEAR

METAL, WOOD & FLOOR SURFACES

- Enamels • Wood Finishes • Dry Colours

PAINT UNDERCOATS

- Primers • Putty • Stainers • Colorants



SPECIALIZED FINISH FOR INDUSTRIAL COATINGS

PROTECTIVE COATING

- Preweld / Shot-blast Primers • Epoxy Primers
 - Epoxy Intermediates • Epoxy Finishes
- Coal Tar Epoxy • Surface Tolerant Coatings
- Polyurethane Coatings • Zinc Silicate Coatings
 - Heat Resistant Coatings
- Boiler Paint • Bituminous Coating



PRODUCT FINISH

- Quick Drying & Nitrocellulose lacquers
 - Alkyd Amino
- Epoxy • Acrylics
 - Vinyl base



METAL DECORATIVE COATING

- Coatings For Food, Pesticides And Chemical Product Containers
 - Coatings For Integrated Necks
- Barrel Lining Lacquer • Side Stripe Varnish
 - Tube Coatings • Crown Cork
- Coatings For Pilferproof Closure



CELEBRATING
111th
YEAR

MARINE PAINTS

- Shalilac Finish
- Shaliprime • Shalispeed
 - Blasteel • Bipigard
- Epigard • Marinegard
- Mahashakti Antifouling Coating



DIRECTORS

G. Jhunjhnuwala — *Chairman*
R. Jindal
A. V. Lodha
R. Garg
Dr. R. Srinivasan
P. Aggarwal
S. Nagpal — *Managing Director & CEO*

COMPANY SECRETARY

Debendra Banthiya

AUDITORS

Chaturvedi & Partners

COST AUDITORS

D. Sabyasachi & Co.

BANKERS

State Bank of India
Bank of Baroda
State Bank of Patiala
Punjab National Bank
Corporation Bank
HDFC Bank Ltd.

REGISTERED OFFICE

Goaberia, P. O. Danesh Shaikh Lane
Howrah – 711 109 (WB)
Tel.: (033) 2644 3201-02 Fax: (033) 2644 3540

FACTORIES**Howrah**

Goaberia, P. O. Danesh Shaikh Lane
Howrah – 711 109 (WB)
Tel.: (033) 2644 3201

Nashik

Nashik Bombay Road
Village Gonde (Ghoti)
Nashik – 422 402 (Maharashtra)
Tel.: (02553) 225002

Sikandrabad

A1& A2, UPSIDC Industrial Area
Sikandrabad – 203 205
Dist: Bulandsahar (UP)
Tel.: (05735) 221793

REGISTRARS & SHARE TRANSFER AGENTS

MCS Limited
77/2A, Hazra Road, Kolkata – 700 029
Tel.: (033) 4072 4052, 2476 7350, 2454 1892/93 Fax: (033) 2454 1961
E-mail: mcskol@rediffmail.com





Shalimar Paints Limited

Notice of the Annual General Meeting

NOTICE is hereby given that the 111th Annual General Meeting of the Company will be held on Tuesday, the 6th August, 2013 at 11.00 A.M. at its Registered Office at Goaberia, P.O. Danesh Shaikh Lane, Howrah - 711 109, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March, 2013 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Girish Jhunjhnuwala, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. A. V. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

5. As an **Ordinary Resolution:**
“RESOLVED THAT Mr. Sameer Nagpal be and is hereby appointed a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.”
6. As a **Special Resolution:**
“RESOLVED THAT subject to such approvals as might be necessary, the Company hereby accords its approval and consent under Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, to the appointment and terms of remuneration of Mr. Sameer Nagpal as the Managing Director of the Company for a period of three years from 25th May, 2013 on the terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting, with liberty to the Board of Directors (‘the Board’) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Mr. Sameer Nagpal.”
7. As a **Special Resolution:**
“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as “SEBI Guidelines”), Foreign Exchange Management Act, 1999, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution), to create, offer, issue and allot at any time to or to the benefit of such person(s) who are in permanent employment of the Company, whether working in India or out of India, including any Director of the Company, whether whole time or otherwise, options exercisable into such number of equity shares being not more than 5% of the Paid-up Equity Share Capital of the Company at any point of time, either directly and / or through a Trust, under one or more Employee Stock Option Schemes, in one or more tranches and on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authorities.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, for the purpose of making a fair and reasonable adjustment, the number of options to be granted and/or the exercise price payable under the Schemes shall be appropriately adjusted, without affecting any other rights or obligations under the Schemes.

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot equity shares upon exercise of options from time to time in accordance with the Employee Stock Option Schemes and such equity shares shall rank pari passu in all respects with the then existing equity shares of the Company.

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated then the number of shares to be allotted and the price of acquisition payable by the option grantees under the Schemes shall automatically stand augmented or reduced, as the case may be, in the same proportion as the present face value of ₹ 2 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said option grantees.

RESOLVED FURTHER THAT the Board be and is hereby authorized to make modifications, changes, variations, alterations or revisions in the said schemes as it may deem fit, from time to time in its sole and absolute discretion in conformity with the provisions of the Companies Act, 1956, the Memorandum and Articles of Association of the Company, SEBI Guidelines and any other applicable laws.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board acting on its own or through the Remuneration Committee be and is hereby authorised to do all acts, matters, deeds and things and to take all steps and to do all things and give such directions as may be necessary, expedient, or desirable and also to settle any question or difficulties that may arise in such manner and the Board/ Remuneration Committee/such authorised person in its/his absolute discretion as may deem fit and take steps which are incidental and ancillary in this connection.”

8. As a **Special Resolution:-**

“RESOLVED THAT pursuant to the provisions of Section 81(1A) and all other applicable provisions, if any, of the Companies Act 1956, the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (hereinafter referred to as “SEBI Guidelines”), Foreign Exchange Management Act, 1999, the Listing Agreement entered into with the Stock Exchanges where the securities of the Company are listed and other relevant authorities, from time to time, to the extent applicable and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee, including the Remuneration Committee which the Board has constituted to exercise its powers, including the powers, conferred by this resolution) to extend the benefits of one or more Employee Stock Option Schemes of the Company as proposed in the Resolution No. 7 in this Notice to such person(s) who are in permanent employment of the following subsidiaries, whether working in India or out of India, including any Director, whether whole-time or otherwise -

1. Shalimar Adhunik Nirman Limited,
2. Eastern Speciality Paints & Coatings Private Limited,

on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or guidelines issued by the relevant Authorities.”

9. As a **Special Resolution**

“RESOLVED THAT Mr. Sameer Nagpal being the Managing Director and Chief Executive Officer of the Company be granted 280,000 equity shares of the Company, which exceeds 1% of the issued capital (excluding outstanding warrants and conversions) of the Company as on the date of this resolution”

By order of the Board

Registered Office :
Goaeria, P.O. Danesh Shaikh Lane
Howrah - 711 109
Dated: 25th May, 2013

For **SHALIMAR PAINTS LIMITED**

Debendra Banthiya
Company Secretary

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a proxy to attend and vote instead of himself/herself and proxy need not be a member of the Company. Proxies, in order to be effective, must be deposited with the Company not less than forty-eight hours before the commencement of the Meeting.**



2. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 relating to Special Business is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from 1st August, 2013 to 6th August, 2013 (both days inclusive).
4. Members are requested to bring the attendance slip along with their copy of the Annual Report to the Meeting. Corporate member are requested to send to the Company's Registered Office, a duly certified copy of Board Resolution authorizing their representative to attend and vote at the Meeting.
5. Additional information pursuant to Clause 49 of the Listing Agreement with Stock Exchanges, regarding appointment & re-appointment of directors is appearing in the Report on Corporate Governance.
6. In accordance with the provisions of Section 205A of the Companies Act, 1956, the amount of unclaimed dividend upto the financial year ended 30th June, 1994, have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for those years, are advised to claim the same from the Registrar of Companies, West Bengal, 234/4 Acharya Jagdish Chandra Bose Road, Kolkata - 700 020.

Dividend for the financial years ended 30th June, 1995 to 31st March, 2005 which remained unpaid or unclaimed for seven years, have been transferred to the Investors Education and Protection Fund of the Central Government pursuant to the amended provisions of Section 205A of the Companies Act, 1956.

Dividend for the financial year ended 31st March, 2006, which remains unpaid or unclaimed, will be due for transfer to the Investors Education and Protection Fund of the Central Government on 20th October, 2013, pursuant to the amended provisions of Section 205A of the Companies Act, 1956. It may be noted that once the unclaimed dividend amount is transferred to the Fund, the same cannot be claimed by the Members therefrom. Members who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006, or any subsequent year(s), are requested to claim the same from the Company's Registrar and Share Transfer Agents, Messrs. MCS Limited. The folio-wise details of amount of unpaid dividend for the financial year ended 31st March, 2006 onwards are available on the Company's website www.shalimarpaints.com as well as on the website of Ministry of Corporate Affairs www.iepf.gov.in.

During the year ended 31st March, 2013, the Company has deposited a sum of ₹ 1,43,205 (Rupees One lakh forty-three thousand two hundred five only) to the Investor Education and Protection Fund of the Central Government, on account of unclaimed/unpaid dividend for the financial year 2004-05.

7. The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that notices/documents including Annual Report can be sent by e-mail to its members. The Company appreciates and supports this green initiative and requests the members to give their consent and register their e-mail address to receive the future correspondence, including Annual Reports, through e-mails. Members who are holding shares in demat form are requested to register their e-mail address through their concerned Depository Participants and the members who hold shares in physical form are requested to send their consent and e-mail address to the Company's Registrar and Share Transfer Agents, Messrs. MCS Limited.

Registered Office:
Goaeria, P.O.: Danesh Shaikh Lane
Howrah - 711 109
Dated: 25th May, 2013

By order of the Board
For **SHALIMAR PAINTS LIMITED**
Debendra Banthiya
Company Secretary

EXPLANATORY STATEMENT
(Pursuant to Section 173(2) of the Companies Act, 1956)

Item Nos. 5 & 6

Mr. Sameer Nagpal was appointed as Additional Director on the Board at its meeting held on 25th May, 2013 and holds office upto the date of this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956.

A notice in writing has been received from a Member of the Company in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Mr. Sameer Nagpal as a Director of the Company. Mr. Nagpal is willing to act as a Director of the Company, if appointed, and has filed with the Company his consent in writing.

The Board of Directors of the Company (“the Board”), at its meeting held on 25th May, 2013, has also appointed Mr. Sameer Nagpal as the Managing Director of the Company for a period of three years with effect from that date i.e., 25th May, 2013, subject to the approval of the Members of the Company and such other approvals as may be necessary, on the following terms of remuneration, which has been approved by the Remuneration Committee of the Board of Director at its meeting held earlier on that date :

(I). Salary & Allowances :

- a) Basic Salary: ₹ 2,50,000/- per month.
- b) House Rent Allowance: ₹ 1,25,000/- per month.
- c) Special/Other Allowances: ₹ 4,16,333/- per month.

(II). Superannuation Benefits :

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

(III) Apart from above, he shall be entitled for Management Incentive subject to a maximum of ₹ 30,00,000/- per annum.

(IV) Mr. Nagpal shall not be entitled to fees for attending any meetings of the Board or a Committee thereof during his tenure as Managing Director of the Company.

(V) In the event of loss or inadequacy of profits in any financial year during the period of his appointment, he shall be paid the above mentioned remuneration by way of salary, perquisites, allowances and incentives, subject to the provisions of Schedule XIII to the Companies Act, 1956 and subject to such approvals as may be necessary.

The information required to be given pursuant to proviso (iv) of Section II (1)(C) of Part II of Schedule XIII to the Companies Act, 1956, are given hereunder :

The Company was incorporated in 1902 and since then it is in the business of manufacturing and marketing of various types of paints and varnishes. The turnover of the Company for the financial year 2012-13 was ₹ 589 crores, including export sale of ₹ 5 crores, and the profit before tax was ₹ 16 crores.

Mr. Nagpal, aged about 43 years, is a Bachelor in Mechanical Engineering from Delhi College of Engineering and having Post Graduate Diploma in Business Management from IIM (Calcutta) with work experience of about 21 years. Prior to joining the Company, he worked as a Vice President - Strategy and Business Creation (India) with Ingersoll Rand International (India) Limited and the total annual remuneration being drawn by him at Ingersoll Rand International (India) Limited was approx. ₹ 88 lakhs excluding the stock plan and options.

Mr. Nagpal is an acknowledged business leader in the industry and has led businesses through rapid growth and transformation cycles. With experience of multinational and Indian organizations, both in residential and commercial businesses, he is well equipped to guide the Company through the transformation of emerging as a strong contender in the Paints Industry. Mr. Nagpal has served on a number of global committees in his prior

companies including Codes, Standards & Advocacy and Residential Global Business Expansion Group at Ingersoll Rand, Asia Product Strategy Group at Carrier. He is credited with stitching a number of international tie ups for product sourcing, contract manufacturing and research/collaborative development in his earlier assignments. He was nominated to the prestigious Executive Leadership Program by Duke University at Ingersoll Rand.

He shall have, subject to the overall control and direction of the Board of Directors of the Company, general control, management and superintendance of the business of the Company in the ordinary course of business and shall be responsible for the working and performance of the Company. He shall report to the Board of Directors of the Company.

The details of remuneration proposed to be payable to Mr. Nagpal as Managing Director is given supra. Considering the nature of the industry, size of the Company and profile of the position vis-à-vis his qualifications and experience, the Board is of the view that proposed remuneration is quite reasonable.

Other information/disclosure, as required under proviso to Clause (C) of Section II of Part II of Schedule XIII to the Companies Act, 1956 are adequately discussed in Directors' Report and Annexure thereto.

Except as Managing Director, Mr. Nagpal does not have any pecuniary relationship with the Company.

The Board of Directors of the Company considers that the appointment of Mr. Nagpal as Managing Director will be beneficial to the Company and accordingly recommends the same.

Except Mr. Sameer Nagpal, none of the Directors of the Company is interested or concerned in the resolutions.

Item No. 7 & 8

The Company recognizes and appreciates the critical role played by the employees of the Company and its subsidiaries in bringing about growth of the organization. It strongly feels that the value created by them should be shared with them. To promote the culture of employee ownership in the Company, approval of the shareholders is being sought for issue of stock options to the employees of the Company and its subsidiaries.

The main features of the Employee Stock Option Schemes are as under:

1. Total number of options to be granted:

Employee Stock Options exercisable into such number of equity shares being not more than 5% of the Paid-up Equity Share Capital of the Company at any point of time would be available for being granted to eligible employees of the Company and its subsidiaries either directly and/or through a Trust, under one or more Employee Stock Option Schemes. Each option when exercised would be converted into one Equity share of ₹ 2 each fully paid-up.

Vested options that lapse due to non-exercise or unvested options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

In case of any corporate action(s) such as rights issue, bonus issue, merger, sale of division or such other event, a fair and reasonable adjustment would be made to the options granted.

2. Identification of classes of employees entitled to participate in the Employee Stock Option Scheme(s):

All permanent employees, including the Directors of the Company and its subsidiaries but excluding the promoters of the Company, as may be decided by the Remuneration Committee of the Company from time to time, would be entitled to be granted stock options under the ESOP Scheme(s).

3. Transferability of employee stock options

The stock options granted to an employee will not be transferable to any person and shall not be pledged, hypothecated, mortgaged or otherwise alienated in any manner.

4. Requirements of vesting and period of vesting

The options granted shall vest so long as the employee continues to be in the employment of the Company and its subsidiaries as the case may be. The Remuneration Committee may, at its discretion, lay down

certain performance metrics on the achievement of which the granted options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which options granted would vest (subject to the minimum and maximum vesting period as specified below).

The options would vest not earlier than one year and not later than six years from the date of grant of options.

5. Maximum period within which the options shall be vested:

The options would vest not later than six years from the date of grant of options. The exact proportion in which and the exact period over which the options would vest would be determined and may be altered or amended, by the Remuneration Committee, subject to the minimum vesting period of one year from the date of grant of options.

6. Exercise Price:

The options will be granted at either of the following exercise prices as decided by the Remuneration Committee:

- a) At a price equal to the market price, being the latest available closing price, prior to the date of the meeting of the Board of Directors/Remuneration Committee, in which options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date shall be considered; or
- b) At a price upto 40% discount to the market price as defined in sub-clause (a) above;

7. Exercise Period and the process of Exercise:

The Exercise period would commence from the date of vesting and will expire not later than four years from the date of vesting of options.

The options will be exercisable by the Employees by a written application to the Company/Trust, in such manner and on execution of such documents, as may be prescribed by the Remuneration Committee from time to time. The options will lapse if not exercised within the specified exercise period.

8. Appraisal Process for determining the eligibility of the employees to ESOP:

The appraisal process for determining the eligibility of the employee will be specified by the Remuneration Committee of the Company, and will be based on criteria such as criticality of the role, designation, length of service, past performance record, future potential of the employee and/or such other criteria that may be determined by the Remuneration Committee of the Company at its sole discretion.

9. Maximum number of options to be issued per employee and in aggregate:

The total number of options that may be granted to any specific employee under one or more Schemes during any one year shall not be equal to or exceed 1.50% of the issued capital (excluding outstanding warrants and conversions) at the time of grant and in aggregate shall not exceed 5% of the Paid up Equity Share Capital of the Company at any point in time.

10. Disclosure and Accounting Policies:

The Company shall comply with the disclosure and the accounting policies prescribed as per SEBI Guidelines and other concerned Authorities.

11. Method of option valuation

To calculate the employee compensation cost, the Company may use either the Fair Value Method or Intrinsic Value Method for valuation of the options granted.

In case the Company calculates the employee compensation cost using the Intrinsic Value of the stock options, the difference between the employee compensation cost so computed and the cost that shall have been recognized if it had used the Fair Value of the options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall be disclosed in the Directors' Report.

As the employee stock option schemes provide for issue of shares to be offered to persons other than existing shareholders of the Company, consent of the members is being sought pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 and the SEBI Guidelines.

None of the Directors of the Company are in any way, concerned or interested in the resolution, except to the extent of the securities that may be offered to them under the schemes.

Item No. 9

In accordance with the SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines, 1999, consent of the members is required to be sought by a separate resolution in case the Company intends to grant, during any one year, stock options equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company to any identified employee.

Since it is proposed to grant 280,000 equity shares of the Company to Mr. Sameer Nagpal being the Managing Director & Chief Executive Officer of the Company, approval of members is being sought.

None of the Directors except Mr. Sameer Nagpal, are interested or concerned in the Resolution.

Registered Office:
Goaberia, P.O.: Danesh Shaikh Lane
Howrah - 711 109
Dated: 25th May, 2013

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

Debendra Banthiya
Company Secretary

Directors' Report

To the Shareholders

Your Directors are pleased to present the 111th Annual Report on the business and operations of the Company together with the audited statement of accounts for the year ended 31st March, 2013.

Financial results

	(₹ in lacs)	
Description	2012-13	2011-12
Revenue from Operations & Other Income	59167	52872
Expenses	55348	49070
PBIDT	3819	3802
Exceptional Items	212	—
Profit before tax	1566	2096
Provision for taxation		
Current Tax	489	682
Deferred Tax	(25)	(32)
Profit after tax	1102	1446
Add: Amount brought forward from last year's account	967	761
Profit available for appropriation	2069	2207
Less: Proposed Dividend	—	379
Tax on proposed dividend	—	61
Amount transferred to General Reserve	—	800
Balance carried to Balance Sheet	2069	967

Sub-division of Equity Shares

The equity share of face value of ₹10/- each of the Company have been sub-divided into 5 equity shares of ₹2/- each in terms of the approval of shareholders of the Company accorded on 26th October, 2012. The Board of Directors fixed 23rd November, 2012 as Record Date for this purpose. Consequently, the existing Issued, Subscribed and Paid-up Equity Share Capital of ₹ 3,78,56,200/- which were divided into 37,85,620 Equity Shares of ₹10/- each have been sub-divided into 1,89,28,100 Equity Shares of ₹2/- each. Similarly, the existing Authorised Share Capital of ₹ 8,00,00,000/- which was divided into 80,00,000 Equity Shares of ₹10/- each has been sub-divided into 4,00,00,000 Equity Shares of ₹2/- each.

ESOP

With a view to attract, retain and motivate the best available talent, the Board of Directors of the Company has formulated Employees Stock Option Scheme in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 ('Guidelines'). The salient features of the said Scheme is detailed in the Explanatory Statement annexed to Notice of the Annual General Meeting. The requisite approval of the shareholders of the Company to enable the Company to issue shares/options under the said Scheme is being sought at the forthcoming Annual General Meeting.

Dividend

The Board of Directors of your Company has decided to plough back the profit of the Company and therefore does not recommend any dividend.

Review of operations

The year under review continues to be impacted due to economic slowdown. The Company's revenue from operations has increased from ₹ 529 crores in 2011-12 to ₹592 crores in 2012-13, an increase of 12%, which can be considered satisfactory in view of the difficult economic condition. The profitability was however affected because of onetime cost incurred due to higher provisioning for bad debts and obsolete inventory.



Due to increase in the interest cost related to working capital financing, the finance costs have also increased from ₹ 15.22 crores in 2011-12 to ₹ 16.58 crores in 2012-13.

Tinting systems

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

ISO Certifications

All the three plants of the Company at Howrah, Nasik and Sikandrabad are ISO 9000 accredited. The Nasik plant is also ISO 14001 accredited. These accreditations have been renewed during the year under review.

Subsidiaries

The Company has two subsidiaries, namely Shalimar Adhunik Nirman Limited (SANL) and Eastern Speciality Paints & Coatings Private Limited (ESPCPL). Since there was no business activity carried out either by SANL or by ESPCPL during the year under review, these subsidiaries have not prepared the Statement of Profit & Loss for the year 2012-13.

In terms of General Circular No. 2/2011 dated 8th February, 2011 issued by the Ministry of Corporate Affairs, Government of India, granting general exemption to attach Subsidiaries' Annual Accounts, as required under Section 212 of the Companies Act, 1956, the Board of Directors of the Company has decided not to attach the Annual Accounts of the said subsidiaries. Any member desires to obtain the copy of Annual Report & Accounts of SANL and ESPCPL may send his/her request to the Company Secretary of the Company.

The consolidated financial statement of the Company and its subsidiaries duly audited by the Company's Statutory Auditors are attached in the Annual Report.

Directors

In accordance with Article 118 of the Articles of Association, Mr. Girish Jhunjhnuwala and Mr. A. V. Lodha retire by rotation and being eligible, offer themselves for re-appointment.

Mr. Sandeep Sarda, Executive Director of the Company has resigned from the Company. The Board has accepted his resignation with effect from 10th June, 2013. The Board also recorded its appreciation for the valuable contribution made by Mr. Sarda during his long association with the Company.

Mr. Sameer Nagpal, Chief Executive Officer of the Company, has been appointed as Additional Director of the Company with effect from 25th May, 2013 and will vacate his office at the forthcoming Annual General Meeting and shall seek election under Section 257 of the Companies Act, 1956. Mr. Nagpal, subject to necessary approvals, has also been appointed the Managing Director for a period of three years with effect from that date.

Brief resume of Mr. Jhunjhnuwala, Mr. Lodha and Mr. Nagpal are given in Point No.12 of the Report on Corporate Governance attached to this report.

Directors' Responsibility Statement

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that:

- i) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ii) The accounting policies have been selected and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The accounts have been prepared on a going concern basis.

Conservation of energy and technical absorption

The particulars as prescribed under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure 'A' to the Directors' Report.

Foreign exchange earnings and outgo

Foreign exchange earnings and outgo are outlined in Note nos. 2.33, 2.34 and 2.35 of Notes to the Accounts.

Particulars of employees

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, forms part of this report. However as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the report and accounts are being sent excluding the statement containing the particulars to be provided under Section 217(2A) of the Companies Act 1956. Any member interested in obtaining such particulars may write to the Company Secretary for a copy thereof.

Auditors

Messrs Chaturvedi and Partners, the Auditors of the Company, retire at the forthcoming Annual General Meeting, and being eligible, offer themselves for re-appointment.

Cost Auditors

In compliance with the Central Government's order, your Board has appointed Messrs D. Sabyasachi & Co., Cost Accountants, to carry out the Cost Audit of the Company in respect of Paints & Varnishes. This appointment is to be made in each financial year and based on the application of your Company the Central Government has approved the re-appointment of Cost Auditors for the year under review. The necessary application will be made to the Central Government in due course seeking approval to the re-appointment of the Cost Auditors for the financial year 2013-14.

The Cost Audit report for the financial year ended 31st March, 2012 has been filed with the Ministry of Corporate Affairs, Cost Audit Branch, Government of India, on 31st January, 2013 i.e. within the stipulated time as extended.

Listing

Your Company's equity shares continue to be listed with the BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited.

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

Corporate Governance

The Company continues to comply with the requirements of the Listing Agreement with the Stock Exchanges where the Company's shares are listed. The report on Corporate Governance for the financial year ended 31st March, 2013, together with Certificate on its compliance, pursuant to requirements of Clause 49 of the Listing Agreement with Stock Exchanges is annexed hereto as Annexure 'B' to this Report.

Acknowledgements

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

Industrial relations and personnel

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

For and on behalf of the Board

New Delhi
25th May, 2013

Girish Jhunjnuwala
Chairman



Annexure – A to Directors' Report

FORM 'A' – CONSERVATION OF ENERGY

	Current Year 2012-2013		Previous Year 2011-2012	
A. POWER AND FUEL CONSUMPTION :				
1. ELECTRICITY:				
a) Purchased :				
Units	Nos.	35,85,504	Nos.	35,57,312
Total Amount	₹	2,67,35,785	₹	2,32,56,955
Rate/Unit	₹	7.46	₹	6.54
b) Own Generation :				
i) Through Diesel Generator				
Units	Nos.	1,46,536	Nos.	1,70,594
Unit/Litre of Diesel Oil		3.42		3.14
Cost/Unit	₹	13.56	₹	13.91
ii) Through Steam Turbine/Generator Units, Unit/Litre of Fuel Oil/Gas, Cost/Unit		Not Applicable		Not Applicable
2. COAL :				
Quantity/Total Cost/Average Rate		Not Applicable		Not Applicable
3. FURNACE :				
Quantity		373 KL		403 KL
Total amount	₹	1,60,66,639	₹	1,54,07,504
Average Rate/Ltr.	₹	43.07	₹	38.23
4. OTHERS/INTERNAL GENERATION :				
Quantity/ Total Cost /Average Rate		Not Applicable		Not Applicable
B. CONSUMPTION PER UNIT OF PRODUCTION :				
Products	Standard			
Paints, Varnishes & Enamels (KL)	No specific standard as the consumption per unit depends on the product mix	46,305 KL		45,314 KL
Unit/ KL				
Electricity		80.60		82.27
Furnace Oil		0.008		0.009
Coal (specify quality) :		—		—
Others (specify) :		Not Applicable		Not Applicable

The variation in consumption of Power and Fuel was due to different product mix between current and previous year.

For and on behalf of the Board

New Delhi
25th May, 2013

Girish Jhunjhuwala
Chairman

FORM 'B'

RESEARCH & DEVELOPMENT (R&D), TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

1. Specific areas in which R&D was carried out by the Company

- a) Development of new products to meet the functional demands, cost economization & EHS (Environment, Health & Safety) requirements.
- b) Upgradation and value engineering of existing products.
- c) Development of energy saving and green architectural coatings.
- d) Development of water borne hygiene coating.
- e) Room temperature cure high heat-resistant coatings.
- f) High durable low dry film thickness (DFT) coatings for public transportation.
- g) Silicone modified high durable coatings for anti-corrosion application.
- h) Addition of new product line in packaging coating segment.

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

- a) Cost economization.
- b) Introduction of new products in the architectural as well as industrial coating segment.
- c) Introduction of environment benign low VOC and odour free paints and hygiene coatings.
- d) Introduction of self cleaning/easy cleaning energy saving coatings.

3. Future plan of action

- a) Water borne Industrial coatings.
- b) Thermal barrier coatings for buildings.
- c) Waterborne glossy enamel paint.
- d) Anti-graffiti coatings for public places transportation.
- e) Rapid cure coating systems for faster turn-around time.
- f) High performance long durable silicone modified coating system.
- g) BADGE free food lacquers for Can coatings.

4. Expenditure on R&D

a) Capital	:	₹	2.08 lacs
b) Recurring	:	₹	158.28 lacs
c) Total	:	₹	160.36 lacs
d) Total R&D expenditure as a percentage of total turnover	:		0.27%

5. Technology absorption, adaptation and innovation

Applied provisional Indian patent (Application No. 2061/MUM/2010) titled "Organic Acid Hydrolyzed Stable Silicate Binders and Coatings Thereof".

For and on behalf of the Board

New Delhi
25th May, 2013

Girish Jhunjnuwala
Chairman



ANNEXURE- B to Directors' Report

CORPORATE GOVERNANCE

Pursuant to amended Clause 49 of the Listing Agreement with the Stock Exchanges, the Directors submit the following Report on the Corporate Governance, for the information of the shareholders.

1. Company's Philosophy

The Company has always been committed to good corporate governance and adequate disclosure and it lays emphasis on transparency, accountability and integrity in all its operations and dealings with its customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

2. Board of Directors

Composition

During the year under review, the Board of Directors of the Company comprised of seven Directors, two of whom are promoters and one Executive Director. The remaining four are non-executive and independent directors. All the non-executive Directors are being paid sitting fees for attending meetings of the Board and Committees thereof. The Executive Director is being paid remuneration as approved by the Shareholders of the Company. The Board is headed by a dependent non-executive Director as its Chairman.

Board Procedures

During the year under review, the Board of the Company met on five occasions. The time gap between two consecutive meetings of the Board of Directors of the Company was not more than four months. The dates of the meetings are 7th May, 2012, 18th July, 2012, 14th September, 2012, 26th October, 2012 and 14th January, 2013.

The information on attendance of the Directors of the Company at the Board Meetings held during the year under review and also at the last Annual General Meeting (AGM) of the Company are given below:

Name of Director	No. of Board Meetings attended	Attendance at the last AGM
Mr. Girish Jhunjhnuwala (Chairman)	4	Attended
Mr. Ratan Jindal	3	Absent
Mr. A.V. Lodha	3	Attended
Mr. Rajiv Garg	5	Attended
Dr. R. Srinivasan	2	Attended
Mr. Pujit Aggarwal	2	Absent
Mr. S. Sarda (Executive Director)	5	Attended

The details of other directorships, memberships/chairmanship of Committees held, as on 31st March, 2013, by the Directors of the Company are given below :

Name of Director	Category	No. of other Directorships*	No. of Committees** on which	
			Member	Chairman
Mr. Girish Jhunjhnuwala (Chairman)	Non-Executive, Promoter	-	-	-
Mr. Ratan Jindal	Non-Executive, Promoter	7	-	-
Mr. A.V. Lodha	Non-Executive, Independent	3	-	1
Mr. Rajiv Garg	Non-Executive, Independent	-	-	-
Dr. R.Srinivasan	Non-Executive, Independent	7	5	2
Mr. Pujit Aggarwal	Non-Executive, Independent	2	1	-
Mr. S. Sarda	Executive	1	-	-

* Other than directorship in Shalimar Paints Limited, private limited companies, companies registered Section 25 of the Companies Act, 1956 & foreign companies.

** In accordance with requirements of amended Clause 49 of the Listing Agreement, Memberships/Chairmanships of only Audit Committees and Shareholders'/Investors' Grievance Committees of only public limited companies (except Shalimar Paints Limited) have been considered.

3. Audit Committee

The Audit Committee of the Board of Directors of the Company consists of Mr. A.V. Lodha, Mr. Rajiv Garg, Dr. R Srinivasan and Mr. Pujit Aggarwal, under the Chairmanship of Dr. Srinivasan. All the members of the Audit Committee are non-executive and independent Directors.

The terms of reference of the Audit Committee of the Company cover the matters specified under amended Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act 1956.

The Committee met four times during the year under review, i.e., on 7th May, 2012, 18th July, 2012, 25th October, 2012 and 14th January, 2013. The attendance of the members of the Committee is given below:

Name of Director	No. of Meetings attended
Mr. A.V. Lodha	3
Mr. Rajiv Garg	4
Dr. R Srinivasan	2
Mr. Pujit Aggarwal	2

4. Shareholders' Grievance Committee

The Shareholders' Grievance Committee of the Board of Directors of the Company is comprised of Mr. Girish Jhunjhnuwala and Mr. A.V. Lodha under the Chairmanship of Mr. Lodha. Mr. Debendra Banthiya, Company Secretary of the Company is designated as Compliance Officer.

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

No. of Complaints pending as on 1st April, 2012	—
No. of Complaints received during the year	21
No. of Complaints redressed during the year	21
No. of Complaints pending as on 31st March, 2013	—

The Committee looks into redressal of complaints received from shareholders. It is the policy of the Company to promptly attend to and resolve the complaints received from the shareholders.

The Board of Directors of the Company has delegated the power of transfer and transmission of shares to Messrs. MCS Limited, the Registrar and Share Transfer Agents of the Company who are attending these transfer formalities fortnightly, under the overall supervision of the Company's Secretarial Department.

5. Remuneration Committee

The Board of Directors of the Company constituted a Remuneration Committee, which comprises of three independent directors namely, Mr. Rajiv Garg, Mr. A.V. Lodha and Dr. R. Srinivasan, under the Chairmanship of Dr. Srinivasan, on the terms of reference as mentioned in point no. 2 of Annexure ID of Clause 49 of the Listing Agreement with Stock Exchanges.

The Company has not been paying any remuneration to non-executive Directors except sitting fee for attending each meeting of the Board of Directors of the Company and Committees thereof. None of the non-executive directors is holding any share in the Company in their own name except Mr. Ratan Jindal who holds 30500 equity shares in the Company.

The details of sitting fees paid to the non-executive directors during the financial year 2012-13 are given below:

Name of Director	Sitting Fees (₹)
Mr. Girish Jhunjhnuwala	40,000/-
Mr. Ratan Jindal	30,000/-
Mr. A.V. Lodha	60,000/-
Mr. Rajiv Garg	90,000/-
Dr. R Srinivasan	40,000/-
Mr. Pujit Aggarwal	40,000/-

The details of remuneration paid to Mr. S. Sarda, Executive Director, during the year under review and other requisite disclosures in this regard are given below:

(Figures in ₹)

Salary	Contribution to PF and Other funds	Total	Period of Agreement	Notice Period
23,14,128	1,80,000	24,94,128	Three years with effect from 1st July, 2010	Three months notice by either party

6. Code of Conduct

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

The declaration duly signed by Mr. Sameer Nagpal, Chief Executive Officer of the Company, pursuant to Clause 49 I (D) (ii) of the Listing Agreement, has been received regarding receipt of affirmation from all the members of the Board and Senior Management Personnel regarding compliance with Code of Conduct of the Company during the year under review.

7. CEO/CFO Certification

As required under Clause 49(V) of the Listing Agreement, Chief Executive Officer and Chief Finance Officer of the Company have certified to the Board of Directors, inter-alia, the accuracy of the financial statements and adequacy of internal control for the financial reporting purpose, for the year under review.

8. General Body Meetings

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

For the Financial year	Date of AGM	Time	Venue	No. of Special Resolutions
2011-12	18.07.2012	11.00 A.M.	Goaberia, P.O. Danesh Shaikh Lane, Howrah – 711 109	None
2010-11	12.08.2011	11.00 A.M.	Goaberia, P.O. Danesh Shaikh Lane, Howrah – 711 109	None
2009-10	30.07.2010	10.30 A.M.	Goaberia, P.O. Danesh Shaikh Lane, Howrah – 711 109	None

At the above mentioned meetings, all the Resolutions were passed on show of hands. During the year under review, there was no such business which required passing of resolution through postal ballot.

9. Disclosure

There were no materially significant related party transactions i.e. transactions of material nature made by the Company with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large. The requisite disclosure on 'Related Party Transactions' pursuant to Accounting Standard 18 has been given in Note No. 2.40 of Notes to the Accounts.

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

The Company has complied with all mandatory requirements of Clause 49 of the Listing Agreement. The Company has also adopted non-mandatory requirements regarding Remuneration Committee and also moved towards a regime of unqualified financial statements.

10. Management Discussion and Analysis

Industry Structure and Development

The Indian Paint Industry, organized & unorganized sector put together, stands at estimated ₹ 30,000 crores. The organized sector contributes to 70% Sales.

The Industry is broadly segmented into 'Decorative Paints' and 'Industrial Paints'. The ratio of Decorative to Industrial segments stands at 70:30, in contrast to the developed countries where the ratio is at an approximate of 50:50.

The Indian Decorative Paint market can be further divided into 'Wall Coatings' and 'General Coatings'. The growth driver in the Decorative segment in the current scenario & as per future forecasts are the Wall Coatings. These constitute of 'Top Coats' & 'Under Coats'. There is a further bifurcation of these coatings as 'Interior Coatings' & 'Exterior Coatings', these categories are arrived at, on the basis of the Paint being used in the Interior or Exterior surfaces of a building. Decorative Segment constitutes of Product groups mainly categorized as Emulsions, Distempers, Enamels, Wood Coatings, Undercoats & Fillers.

Industrial Paint market can be broadly divided into Automotive Coatings, High Performance Coatings, Powder Coatings, General Industrial Coatings and Coil Coatings. The Automotive Coatings contribute to almost half the Industrial sales in India.

Industry Outlook

Even though long term outlook remains robust and stable, the Indian economy is currently undergoing erratic recovery process engulfed by political uncertainty. Paint industry in particular is expected to witness better demand conditions with optimism built with corrections witnessed in commodity and crude prices during 2012-13

Each year begins with uncertainty in current macro-economic environment and 2013-14 is no exception as it continues to remain challenging.

Opportunities and Threats

The growth for decorative paint segment continues to be driven by emerging demands from Tier II & Tier III cities.

Given the pace of urbanization, the consequent need for infrastructure, the changing life styles & the feasibility of organizing funds for building houses for the middle class, the Indian Paint Industry is poised for a strong and consistent growth. The Company's endeavor will continue to tap the growing market potential and increase its market share both in the 'Decorative' as well as 'Industrial' paint segments. The Company is also all set to enhance its production capacities in Decorative & Industrial segments.

Risk and Concerns

The growth of the Paints Industry in India has been consistent with the GDP growth rate over the years.

As the growth of Paints Industry is aligned with the growth of economy, any sluggish economic growth could weigh down the demand for paints and may lead to adverse effect on the business of the Company. Further, the paint industry is raw material intensive and the volatility in the raw material prices particularly of petroleum-based products will have considerable impact on operating margins.

An issue that the Company proposes to focus on is improving its Inventory Management. Large number of SKU's combined with geographical spread of stock points results in blockage of capital and risk of obsolescence. Improving Supply Chain infrastructure will be the key enabler for growth.

The growth in the industrial segment is also susceptible to end user business cycles.

Internal Control System and its Adequacy

The Company's internal control systems commensurate with the size and nature of its business.

The Company has appointed external audit firms to conduct regular audits at various locations of the Company. At every Audit Committee meeting a summary of the internal audit reports, internal audit observations together with the replies and the action taken report are placed before the Audit Committee and discussed.

Other matters such as operational and financial performance, human resources etc. have been discussed under the respective heads in the Directors' report.

11. Means of Communication

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

The Management Discussion and Analysis has been given in point no.10 above and is forming part of the Annual Report.

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

12. Disclosure on appointment/re-appointment of Directors

Mr. Girish Jhunjnuwala, aged about 50 years, one of the Promoter Directors of the Company, is a Bachelor of Science Graduate from the University of Southern California, Los Angeles. He had his business in Hongkong which includes Real Estate and Hospitality Industry. He is a member of the Board of Directors of the following Companies:

Hind Hotels & Properties Ltd., Delta Nominees Ltd., S. Sundar & Sons Ltd., Hindstar Ltd., Hind Strategic Investments Ltd., Golden Pond Development Ltd., Sky Lucky Ltd., Reliance Properties Ltd., Full Springs Ltd., Café O Ltd., Cheston Investment (Group) Ltd., Power Concept Properties Ltd., Hinion Ltd., Golden Diamond (HK) Ltd., Masswell International Ltd., Sunny Way Properties Ltd., Ovolo Group Ltd., Westpac Limited, Rich Eagle International Limited, Solid Gold Limited, First Asset (Australia) Pty Limited, Ovolo Group Pty Ltd.

Mr. Jhunjhnuwala does not hold any shares in the Company in his own name.

Mr. Aditya Vikram Lodha, aged about 47 years, a renowned Chartered Accountant, is the Country Managing Partner of Lodha & Co., one of the leading accounting and consulting firms in India. Mr. Lodha has also served as the President of Indian Chamber of Commerce, Kolkata, in 1998-99 and 2001-02. He also served as Chairman of CII's National Committee on Accounting Standard & Corporate Governance and Taxation and was a member of the Indian National Committee of International Chamber of Commerce, Paris. Mr. Lodha has also served as a Member of the High Level Naresh Chandra Committee constituted by the Government of India. He is a member of the Board of Directors of the following Companies:

Alfred Herbert (India) Limited, Graphite India Limited and Herbert Holdings Limited.

Mr. Lodha does not hold any shares in the Company in his own name.

Mr. Sameer Nagpal, aged 43 years, Indian National, is a Bachelor in Mechanical Engineering from Delhi College of Engineering and having Post Graduate Diploma in Business Management from IIM (Calcutta) with work experience of about 21 years. Prior to joining the Company, he worked as a Vice President-Strategy and Business Creation (India) in Ingersoll Rand International (India) Limited.

13. Subsidiaries

The Company has two unlisted subsidiary companies, which are not material as per the Explanation 1 of Clause 49(III) of the Listing Agreement. The Audit Committee of the Company reviews the financial statements of these Subsidiaries. The Minutes of the Board Meetings of the Subsidiaries are also being placed before the Board of the Company.

14. General Shareholder information

- a) As indicated in the notice dated 25th May, 2013, the 111th Annual General Meeting of the Company will be held on 6th August, 2013 at 11:00 A.M. at the Company's Registered Office at Goabaria, P.O. Danesh Shaikh Lane, Howrah - 711 109.
- b) The Register of Members and Share Transfer Books of the Company will remain closed from 1st August, 2013 to 6th August, 2013, both days inclusive.
- c) Financial Calendar: The unaudited/audited financial results of the Company for the following quarters ending/year ending will be published on or before the dates mentioned against the respective period:

For the Quarter ending 30th June, 2013 (Unaudited)	: 14th August, 2013
For the Quarter ending 30th September, 2013 (Unaudited)	: 14th November, 2013
For the Quarter ending 31st December, 2013 (Unaudited)	: 14th February, 2014
For the year ending 31st March, 2014 (Audited)	: 30th May, 2014
- d) The Shares of the Company are listed with the following Stock Exchanges with the stock code mentioned there against:

	Stock Code
1. The Calcutta Stock Exchange Ltd. 7, Lyons Range, Kolkata - 700 001	10029193
2. BSE Ltd. Phiroze Jeejeebhoy Towers Dalal Street, Mumbai - 400 001	509874
3. National Stock Exchange of India Ltd. Exchange Plaza, Badra Kurla Complex Bandra (E), Mumbai - 400 051	SHALPAINTS

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

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

Month	BSE		NSE	
	High	Low	High	Low
Face Value of ₹10/- each				
April 2012	505.85	411.20	508.50	413.00
May 2012	654.65	352.10	654.45	345.30
June 2012	638.45	522.60	638.90	510.10
July 2012	608.00	520.00	620.00	516.10
August 2012	620.00	515.00	619.30	514.25
September 2012	730.05	555.50	731.80	556.10
October 2012	703.00	625.00	702.15	620.00
November 2012	691.00	636.00	685.65	635.10
Face Value of ₹2/- each				
November 2012	153.70	125.30	151.00	125.30
December 2012	138.00	121.10	142.00	120.00
January 2013	143.60	112.15	143.35	107.65
February 2013	132.10	109.10	131.90	109.05
March 2013	141.90	105.00	142.00	105.00

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

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

Month	Company's Shares price		BSE Sensex	
	High	Low	High	Low
Face Value of ₹10/- each				
April 2012	505.85	411.20	17664.10	17010.16
May 2012	654.65	352.10	17432.33	15809.71
June 2012	638.45	522.60	17448.48	15748.98
July 2012	608.00	520.00	17631.19	16598.48
August 2012	620.00	515.00	17972.54	17026.97
September 2012	730.05	555.50	18869.94	17250.80
October 2012	703.00	625.00	19137.29	18393.42
November 2012	691.00	636.00	19372.70	18255.69
Face Value of ₹2/- each				
November 2012	153.70	125.30	19372.70	18255.69
December 2012	138.00	121.10	19612.18	19149.03
January 2013	143.60	112.15	20203.66	19508.93
February 2013	132.10	109.10	19966.69	18793.97
March 2013	141.90	105.00	19754.66	18568.43

- g) MCS Limited of 77/2A, Hazra Road, Kolkata - 700 029, Phone Nos. (033) 4072-4052 (3 lines), (033) 2454-1892 and 2454-1893, are the Registrar and Share Transfer Agents of the Company for both physical as well as demat segment.
- h) The share transfer work is being handled by the Company's R&T Agents, MCS Limited of 77/2A, Hazra Road, Kolkata - 700 029 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 Registrar so that they can attend to the share transfer formalities on fortnightly basis.
- i) The distribution of shareholdings as on 31st March, 2013 is given below:

	No. of Shareholders	Percentage	No. of Shares held	Percentage
Upto 500	6210	81.70	893752	4.72
501 to 1000	767	10.09	596159	3.15
1001 to 2000	323	4.25	486477	2.57
2001 to 3000	108	1.42	276557	1.46
3001 to 4000	36	0.47	126204	0.67
4001 to 5000	31	0.41	147867	0.78
5001 to 10000	46	0.61	347527	1.84
10001 to 50000	54	0.71	1132294	5.98
50001 to 100000	8	0.10	520062	2.75
100000 and above	18	0.24	14401201	76.08
Total	7601	100.00	18928100	100.00

j) Category of shareholders as on 31st March, 2013 are given below:

	No. of shares	Percentage
Promoters	11803140	62.36
Financial Institutions	594180	3.14
NRI/NRC	326157	1.72
General	6204623	32.78
Total	18928100	100.00

k) Dematerialisation of Shares and liquidity: As on 31st March, 2013, Equity shares representing 96.96% are in dematerialised form.

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

- P.O. Danesh Shaik Lane, Goaberia, Howrah, West Bengal
- Village: Gonde Dumala, Tehsil: Igatpuri, Nasik, Maharashtra, and
- No.A-1 and A-2 Sikandrabad Industrial Area, Sikandrabad, Dist. Bulandsahar, Uttar Pradesh.

n) Address for Correspondence: Secretarial Department, Shalimar Paints Limited, P.O. Danesh Shaik Lane, Goaberia, Howrah.

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

For and on behalf of the Board

New Delhi
25th May, 2013

Girish Jhunjhnuwala
Chairman

DECLARATION

(Pursuant to Clause 49 I (D) (ii) of the Listing Agreement)

I, Sameer Nagpal, Chief Executive Officer of the Company, do hereby declare that all the Board members and senior management personnel of the Company affirmed compliance with the Code of Conduct, adopted by the Company, for the Board of Directors and Senior Management of the Company.

New Delhi
25th May, 2013

Sameer Nagpal
Chief Executive Officer

Compliance Certificate on Corporate Governance **(Pursuant to Clause 49 of the Listing Agreement with Stock Exchanges)**

To the Shareholders of
SHALIMAR PAINTS LIMITED

We have examined the compliance of conditions of Corporate Governance by Shalimar Paints Limited, for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to review of procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

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

For P. SARAWAGI & ASSOCIATES
Company Secretaries
P. K. Sarawagi
Proprietor

Place : Kolkata
Date : 25th May, 2013

Membership No. FCS3381
Certificate of Practice No. : 4882

Independent Auditors' Report

To The Members of Shalimar Paints Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shalimar Paints Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2013, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

- b) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books ;
- c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account ;
- d) in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e) on the basis of written representations received from the directors as on March 31, 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- f) since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956, nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Reg No-307068E

Anup Kumar Dubey
Partner
Membership No: 054975

Place: New Delhi
Dated: May 25, 2013

The Annexure referred to in our report to the members of Shalimar Paints Limited ('the Company') for the year ended March 31, 2013

1. In respect of its fixed assets :
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The fixed assets have been verified periodically by the management during the year in a phased manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c) The Company has not disposed of substantial part of fixed assets during the year under audit and the going concern status of the Company is not affected.
2. In respect of its inventory:
 - a) The inventories have been physically verified by the management at regular intervals during the year.
 - b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company has maintained proper records of inventory. There were no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. The Company has not granted any loan to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence, Clauses 4(iii) (a) to (d) of the Order, are not applicable to the Company.
4. The Company has not taken loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act . Hence, Clauses 4(iii) (e), (f) and (g) of the Order, are not applicable to the Company.
5. In our opinion, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventories, fixed assets and also for the sale of goods & services. During the course of our audit, we have not observed any major weaknesses in internal control system relating to these areas.
6. According to information & explanation furnished to us, we are of the opinion that there are no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under that section. Hence, Clauses 4(v) (a) & (b) of the Order, are not applicable to the Company.
7. The Company has not accepted any deposits from public & accordingly Clause 4(vi) of the Order is not applicable to the Company.
8. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
9. The Central Government has prescribed maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 in respect of certain manufacturing activities of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
10. In respect of statutory dues :
 - a) The undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other statutory dues have been regularly deposited with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March 2013 for a period of more than six months from the date of becoming payable.

- b) The disputed statutory dues on account of income tax, sales tax, wealth tax, service tax, custom duty, excise duty and cess, as applicable, aggregating to ₹569.46 lacs, that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl No.	Name of the statute	Nature of dues	Forum where dispute is pending	Amount (₹ in lacs)
01.	Central Excise Act, 1944	Excise Duty	Various Assessing, Appellate & Tribunal Authorities	209.20
02.	Central Sales Tax Act and Sales Tax Act of various states	Sales Tax	Various Assessing, Appellate, Tribunal & Revision Board Authorities	354.81
03.	Income Tax Act, 1961	Income Tax	Various Assessing, Appellate, Tribunal Authorities	5.45
TOTAL:				569.46

11. The Company has no accumulated loss and has not incurred any cash loss during the financial year covered by our audit or in the immediately preceding financial year.
12. Based on the audit procedures and as per the information & explanation given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
13. According to information & explanation given to us, no loan or advance has been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
14. The Company is not a chit fund or a nidhi or a mutual benefit fund/society. Therefore, clause 4(xiii) of the Order is not applicable to the Company.
15. The Company has not dealt or traded in shares, securities and hence clause 4 (xiv) of the Order is not applicable.
16. According to information & explanation given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
17. The Company has availed of term loan and the same has been utilized for intended purposes.
18. On an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have not been used for long-term investment.
19. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
20. The Company has not raised any money by way of public issue or issued debentures during the year under audit.
21. Based on the audit procedures performed for reporting on the true & fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year under audit causing the financial statements to be materially misstated.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Reg No-307068E

A K Dubey
Partner

Membership No: 054975

Place : New Delhi
Dated : May 25, 2013

Balance Sheet as at March 31, 2013

Particulars	Note No.	(₹ in Lacs)	
		March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' fund			
(a) Share Capital	2.1	378.57	378.57
(b) Reserve and Surplus	2.2	7,122.12	5,993.84
		7,500.69	6,372.41
2. Non-Current Liabilities			
(a) Long Term Borrowings	2.3	705.30	3.36
(b) Deferred Tax Liabilities (Net)	2.4	257.98	282.85
(c) Other Long Term Liabilities	2.5	54.29	34.00
(d) Long Term Provisions	2.6	697.22	627.42
		1,714.79	947.63
3. Current Liabilities			
(a) Short Term Borrowings	2.7	8,104.63	6,880.83
(b) Trade Payables	2.8	16,434.40	13,158.30
(c) Other Current Liabilities	2.9	2,747.28	2,137.29
(d) Short Term Provisions	2.10	168.91	826.35
		27,455.22	23,002.77
Total		36,670.70	30,322.81
II. ASSETS			
1. Non Current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		3,067.52	3,029.40
(ii) Intangible Assets		120.36	189.68
(iii) Capital Work-in-Progress		787.54	90.90
(b) Non Current Investment	2.12	80.73	79.73
(c) Long Term Loans and Advances	2.13	126.82	121.57
		4,182.97	3,511.28
2. Current Assets			
(a) Inventories	2.14	13,196.54	10,581.19
(b) Trade Receivable	2.15	15,447.61	13,821.43
(c) Cash and Cash Equivalents	2.16	1,515.84	1,325.57
(d) Short Term Loans and Advances	2.17	1,195.34	571.80
(e) Other Current Assets	2.18	1,132.40	511.54
		32,487.73	26,811.53
Total		36,670.70	30,322.81

Significant Accounting Policies and Notes on Accounts 1 & 2

Notes referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.

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

For and on behalf of the Board

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

G. Jhunjhnuwala
Chairman

New Delhi
May 25, 2013

Debendra Banthiya
Company Secretary

Dr. R. Srinivasan
Director



Statement of Profit and Loss for the year ended March 31, 2013

Particulars	Note No.	(₹ in Lacs)	
		2012-13	2011-12
I. Revenue from Operations	2.19	59,151.90	52,864.35
Less : Excise Duty		6,133.52	4,219.43
		53,018.38	48,644.92
II. Other Income	2.20	15.70	7.01
III. Total Revenue (I + II)		53,034.08	48,651.93
IV. Expenses			
Cost of materials consumed	2.21	34,283.27	32,230.62
Purchases of Stock-in-trade	2.22	2,366.99	2,126.44
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.23	(1,248.80)	(2,393.21)
Employee benefits expense	2.24	2,871.42	2,529.58
Finance Costs	2.25	1,657.62	1,521.84
Depreciation and amortization expense	2.11	384.09	429.80
Other expenses	2.26	10,941.39	10,111.13
Total Expenses		51,255.98	46,556.20
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,778.10	2,095.73
VI. Exceptional Items		211.78	-
VII. Profit before extraordinary items and tax (V - VI)		1,566.32	2,095.73
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		1,566.32	2,095.73
X. Tax expense			
(1) Current Tax		489.38	681.75
(2) Deferred Tax		(24.87)	(32.29)
		464.51	649.46
XI. Profit/(Loss) for the period (IX+ X)		1,101.81	1,446.27
XII. Earnings per equity share Basic & Diluted (in ₹)		5.82	7.64

Significant Accounting Policies and Notes on Accounts 1&2

Notes referred to above form an integral part of the Accounts.

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

For CHATURVEDI & PARTNERS

Chartered Accountants

(Firm Regn. No. 307068E)

A. K. Dubey

Partner

(Membership No. 054975)

New Delhi

May 25, 2013

Debendra Banthiya

Company Secretary

For and on behalf of the Board

G. Jhunjhnuwala

Chairman

Dr. R. Srinivasan

Director



Cash Flow Statement for year ended March 31, 2013

	(₹ in Lacs)	
	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	1,566.32	2,095.73
Adjusted for :		
Depreciation	384.09	429.80
Interest/Other Income	(15.70)	(7.01)
Bad debts	133.00	100.64
Interest Expenses	1,657.62	1,521.84
Transfer from Revaluation Reserve	(4.50)	(4.79)
Loss / (Profit) on sale of Fixed Assets	2.38	(0.04)
Operating Profit before Working Capital Changes	3,723.21	4,136.17
Adjusted for:		
Trade and Other Receivables	(3,008.64)	(2,908.69)
Inventories	(2,615.36)	(2,269.59)
Trade Payables & Other Liabilities	5,067.52	2,987.32
Direct Taxes paid (net of refund)	(603.05)	(435.69)
Cash Generated from Operating Activities	2,563.68	1,509.52
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,062.57)	(352.59)
Sale of Fixed Assets	10.66	3.84
Purchase of Investment	(1.00)	—
Interest /Other Income Received	15.54	6.92
Net Cash used in Investing Activity	(1,037.37)	(341.83)
C CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from Borrowings	701.94	918.33
Interest Paid	(1,659.42)	(1,523.44)
Dividend Paid	(378.56)	(301.44)
Net Cash used in Financing Activities	(1,336.04)	(906.55)
Net Increase in Cash and Cash Equivalents (A+B+C)	190.27	261.14
Opening Balance of Cash and Cash Equivalents	1,325.57	1,064.43
Closing Balance of Cash and Cash Equivalents	1,515.84	1,325.57

This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board

A. K. Dubey
Partner
(Membership No. 054975)
New Delhi
May 25, 2013

Debendra Banthiya
Company Secretary

G. Jhunjhnuwala
Chairman

Dr. R. Srinivasan
Director

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL

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

1.2 FIXED ASSETS

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

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

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

1.3 LEASE ACCOUNTING

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

1.4 DEPRECIATION

Depreciation on fixed assets is provided at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal:

- a) In respect of assets located at Nashik and Sikandrabad Plant - on straight line method.
- b) In respect of other assets - on written down value method.

Depreciation on amount added on revaluation is recouped from Fixed Assets Revaluation Reserve.

1.5 INVESTMENTS

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

1.6 FOREIGN CURRENCY TRANSACTIONS

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

1.7 INVENTORY

- a) Raw materials including materials in transit, stores & spare parts and loose tools are valued at lower of cost or net realisable value.
- b) Stock in trade, finished goods and work-in-process are valued at lower of cost or net realisable value.
- c) The cost which is arrived at following weighted average basis, comprises all direct costs including taxes and duties net of cenvat credits, transportation and other costs incurred in bringing the inventories to the present location and conditions.
- d) The obsolete/damaged items of inventories are valued at estimated realisable value.



SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.8 SALES

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

1.9 RETIREMENT BENEFITS TO EMPLOYEES

(i) The Company operates defined contributions schemes.

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

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

(iii) For Schemes where recognized funds have been set up, annual contributions are made as determined as per the actuarial valuation report. Actuarial gains & losses are recognized in the Statement of Profit & Loss. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.

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

1.10 BORROWING COST

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

1.11 TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

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

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

1.12 VOLUNTARY RETIREMENT SCHEME

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

1.13 CONTINGENT LIABILITIES

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

2. NOTES TO ACCOUNTS

(₹ in Lacs)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
2.1 Share Capital		
(i) Authorised		
4,00,00,000 Equity Shares, Par Value ₹ 2/- each (80,00,000 Equity Shares, Par Value ₹ 10/- each)	800.00	800.00
(ii) Issued, Subscribed and Fully Paid-up		
1,89,28,100 Equity Shares, Par Value ₹ 2/- each (37,85,620 Equity Shares, Par Value ₹ 10/- each)	378.56	378.56
(iii) Share Forfeiture Account	0.01	0.01
	378.57	378.57

(iv) Reconciliation of Number of Shares and share capital

Particulars	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares vis-à-vis amount at the beginning	3,785,620	378.56	3,785,620	378.56
Add: Shares issued*	15,142,480	-	-	-
Number of shares vis-à-vis amount at the end	<u>18,928,100</u>	<u>378.56</u>	<u>3,785,620</u>	<u>378.56</u>

* Increase in number of shares consequent upon splitting of equity share of face value of ₹ 10 each to face value of ₹ 2 each as per resolution passed at EOGM dated October 26, 2012 by shareholder

(v) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 each (P.Y. ₹ 10 each). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholders	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	No. of Shares Face Value ₹ 2 each	% held	No. of Shares Face Value ₹ 10 each	% held
Hind Strategic Investments	5,841,570	30.86	1,180,314	31.18
Hexa Securities and Finance Co. Ltd.	1,500,000	7.92	300,000	7.92
Nalwa Sons Investments Ltd (formerly Jindal Strips Limited)	1,372,590	7.25	274,518	7.25
Colorado Trading Company Limited	1,224,625	6.47	244,925	6.47
Nalwa Investments Limited	1,193,855	6.31	238,771	6.31
Quantum Securities Private Limited	200,000	1.06	237,630	6.28

NOTES TO ACCOUNTS (Contd.)

	March 31, 2013	March 31, 2012
		(₹ in Lacs)
2.2 Reserve and Surplus		
Reserve and Surplus consist of following reserves :		
(i) Capital Reserve		
Opening Balance	32.24	32.24
Addition during the year (net)	-	-
Closing Balance	32.24	32.24
(ii) Securities Premium Account		
Opening Balance	949.27	949.27
Addition during the year (net)	-	-
Closing Balance	949.27	949.27
(iii) Fixed Asset Revaluation Reserve		
Opening Balance	286.31	291.10
Transferred to Profit and Loss Statement	(4.50)	(4.79)
Closing Balance	281.81	286.31
(iv) Export Profit Reserve		
Opening Balance	1.95	1.95
Addition during the year (net)	(1.95)	-
Closing Balance	-	1.95
(v) General Reserve		
Opening Balance	3,756.56	2,956.56
Addition during the year (net)	1.95	800.00
Closing Balance	3,758.51	3,756.56
(vi) Surplus in the Statement of Profit and Loss		
Opening Balance	967.51	761.21
Add: Profit for the year	1,101.81	1,446.27
Add: Adjustment for earlier year Tax	30.97	-
Surplus available for Appropriations	2,100.29	2,207.48
Less : Appropriations		
General Reserve	-	800.00
Proposed Dividend	-	378.56
Provision for Tax on Dividend	-	61.41
	2,100.29	967.51
	7,122.12	5,993.84
2.3 Long Term Borrowings		
Secured		
Term Loans		
(i) From Bank		
(a) Vehicle Loan (secured by hypothecation of vehicle financed term of payment 36 months)	5.05	3.36
(b) Term Loan	700.25	-
(Secured by hypothecation of entire stocks, current assets on parri-passu basis with other consortium members banks. First charge on entire fixed assets of the Company on pari-passu basis with other consortium member (by way of EM on Land & building and hypothecation charge on other fixed assets) situated at the Company's Factory at Nasik Mumbai road, Village Gonde (Ghoti), Nashik, standing in the name of the Company. Second Charge on pari-passu basis with consortium members (first charge with SIDBI) on the entire fixed assets at the Company's factory situated at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad. First pari-passu charge with consortium on the Plant & Machinery of the Company at Howrah Factory. Second pari-passu charge on EM / RM over Land & Building at Survey Nos. 1A1B, 3/2, 3/1, 15/1A, 15/1B, 15/1C, No. 19, Chinnapuliur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu and hypothecation charge over the Plant & Machinery to be purchased out of the Term Loan.)		
	705.30	3.36

NOTES TO ACCOUNTS (Contd.)

		(₹ in Lacs)
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
2.4 Deferred Tax Liabilities (net)		
(i) Deferred Tax Assets	(49.01)	(46.73)
Expenses allowable on payment basis		
(ii) Deferred Tax Liabilities	306.99	329.58
Depreciation and related items (note 2.38)		
	<u>257.98</u>	<u>282.85</u>
2.5 Other Long Term Liabilities		
Trade Deposit	54.29	34.00
	<u>54.29</u>	<u>34.00</u>
2.6 Long Term Provisions		
Provision for Employees' Benefits (note 2.42)	397.22	327.42
Others	300.00	300.00
	<u>697.22</u>	<u>627.42</u>
2.7 Short Term Borrowings		
Secured		
(i) Loans repayable on demand	7,104.63	6,869.73
From Bank (Cash credit and WCDL) (Secured by pari-passu hypothecation of the Company's entire stock of raw materials, finished goods, stocks in process, consumable stores and spare parts, bills receivable and book debts and all other moveable of the Company's factories, premises and godown situated at Howrah, Nasik and Sikandrabad (U.P.) and various places located throughout the country: and first charges on Company's all Plant and Machinery at Howrah plant and first charge on the entire fixed assets of the Nasik plant and second charge on the entire fixed assets of Sikandrabad plant.)		
Unsecured		
(ii) Short Term Loan from Bank	1,000.00	-
(iii) Deposits	-	11.10
	<u>8,104.63</u>	<u>6,880.83</u>

NOTES TO ACCOUNTS (Contd.)

		(₹ in Lacs)
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
2.8 Trade Payables		
(i) Acceptances	1,892.17	1,845.88
(ii) Sundry Creditors		
a) Sundry creditors for bill discounting (note 2.27)	4,430.22	2,443.16
b) Others	10,112.01	8,869.26
	<u>16,434.40</u>	<u>13,158.30</u>
2.9 Other Current Liabilities		
(i) Secured		
Current Maturity of Long-term debts	2.26	8.55
(ii) Unsecured		
Unpaid Dividend	20.63	18.04
(iii) Other Payables		
Employee's remuneration	186.33	228.25
Statutory Payment	728.52	628.35
Discount and Rebate	730.43	588.00
Others (Operating Expenses)	1,079.11	666.10
	<u>2,747.28</u>	<u>2,137.29</u>
2.10 Short Term Provisions		
Others		
(i) Provision for Income tax (net)	151.93	382.86
(ii) Proposed Dividend	-	378.56
(iii) Tax on Proposed Dividend	-	61.41
(iv) Provision for Employee Benefits	16.98	3.52
	<u>168.91</u>	<u>826.35</u>

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

2.11 Fixed Assets

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
	As at April 1, 2012	Additions during the period	Adjustments	As at March 31, 2013	Provided Upto March 31, 2012	Provision for the current period	Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
I. Tangible Assets										
Land	506.20	-	-	506.20	-	-	-	-	506.20	506.20
Building	1,775.58	37.01	-	1,812.59	762.42	57.13	-	819.55	993.04	1,013.16
Plant & Machinery	2,179.36	82.53	-	2,261.89	1,780.24	61.78	-	1,842.02	419.87	399.12
Leased Equipment	1,559.54	213.76	(14.23)	1,759.07	726.84	129.38	(0.14)	856.08	902.99	832.70
Furniture and Fixture	269.42	4.02	-	273.44	174.72	6.91	-	181.63	91.81	94.70
Office Equipment	824.95	23.85	4.21	853.01	677.82	55.41	(0.16)	733.07	119.94	147.13
Motor Vehicles	113.29	5.51	(5.39)	113.41	76.90	7.94	(5.10)	79.74	33.67	36.39
Total (A)	7,228.34	366.68	(15.41)	7,579.61	4,198.94	318.54	(5.41)	4,512.09	3,067.52	3,029.40
Previous Year	6,965.28	286.60	(23.54)	7,228.34	3,891.59	327.05	(19.70)	4,198.94	3,029.40	-
II. Intangible Assets										
Computer software	590.01	0.74	-	590.75	422.05	65.41	-	487.46	103.29	167.96
Technical know how	62.72	-	-	62.72	41.00	4.65	-	45.65	17.07	21.72
Total (B)	652.73	0.74	-	653.47	463.05	70.06	-	533.11	120.36	189.68
Previous Year	646.60	6.13	-	652.73	355.51	107.54	-	463.05	189.68	-
III. Capital Work-in-Progress										
Capital WIP	-	-	-	-	-	-	-	-	787.54	90.90
Total (C)	-	-	-	-	-	-	-	-	787.54	90.90
Previous Year	-	-	-	-	-	-	-	-	90.90	-
Total (A+B+C)	7,881.07	367.42	(15.41)	8,233.08	4,661.99	388.59	(5.41)	5,045.20	3,975.42	3,309.98
Previous Year	7,611.88	292.73	(23.54)	7,881.07	4,247.10	434.59	(19.70)	4,661.99	3,309.98	-

Note: Depreciation on tangible assets for year includes depreciation on amount added on revaluation of ₹ 4.50 lacs (Pre. Yr. ₹ 4.79 lacs) recouped from Fixed Assets revaluation reserve.

	March 31, 2013	March 31, 2012
2.12 Non Current Investments - Other Investment, at cost		
(i) Investment in Equity Instruments - Unquoted		
Shalimar Adhunik Nirman Ltd. (Subsidiary Company)		
49990 Equity Shares of ₹ 10 each fully paid-up	5.00	5.00
450000 Equity Shares of ₹ 10 each (Partly paid-up @ ₹1 each)	4.50	4.50
Eastern Speciality Paints & Coatings Pvt Ltd (Subsidiary Company)	1.00	-
10000 Equity Shares of ₹ 10 each fully paid-up		
(ii) Investment in Preference Shares - Unquoted		
Shalimar Adhunik Nirman Ltd. (Subsidiary Company)	50.00	50.00
50000, 6% Preference Shares non convertible of ₹ 100 each (Fully paid up)		
(iii) Investment in Debentures or Bonds - Unquoted		
₹ 6,500 1/2% Woodland Medical Centre Ltd.	0.06	0.06
₹ 17,000 5% Woodland Medical Centre Ltd.	0.17	0.17
(iv) Investment in Mutual Funds - Quoted		
UTI Infrastructure Fund -Growth		
UTI Advantage Fund - Growth Plan (now converted to UTI Infrastructure Fund - Growth)		
200000 Units of ₹ 10 Each (Market value of 50925.374 Units @ NAV ₹ 26.46 as on 28.03.2013)	20.00	20.00
	80.73	79.73
Aggregate amount of Unquoted Investments	60.73	59.73
Aggregate amount of Quoted Investments	20.00	20.00
Market Value of Quoted Investments	13.48	14.13

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
2.13 Long Terms Loans and Advances (Unsecured, considered good)		
Security Deposit	126.82	121.57
	126.82	121.57
2.14 Inventories (at cost or net realisable value, whichever is lower)		
Raw Material	4,246.00	2,873.90
Work- in -Progress	444.49	643.81
Finished Goods	7,933.12	6,602.43
Stock- in- Trade	468.50	351.07
Stores & spares	104.43	109.98
	13,196.54	10,581.19
2.15 Trade Receivables (Unsecured, considered good)		
(i) Outstanding for a period exceeding six months from due date	1,081.22	904.27
(ii) Others	14,366.39	12,917.16
	15,447.61	13,821.43
2.16 Cash and Cash Equivalent		
Cash & Bank Balances		
(i) Balances with Bank (in current account)	97.70	116.82
(ii) Cheque, drafts on hand	1,387.36	1,182.61
(iii) Cash in hand	9.77	7.72
Other Bank Balances		
(i) Unpaid Dividend Account	20.63	18.04
(ii) Fixed Deposit Account (for more than 12 months)	0.38	0.38
	1,515.84	1,325.57
2.17 Short Term Loans and Advances - Unsecured, considered good		
(i) Loan and advances to related parties Receivable from Subsidiary Company (Shalimar Adhunik Nirman Limited)	499.16	498.93
(ii) Other :		
Advances to Suppliers	515.21	50.06
Advance to Employees	180.97	22.81
	1,195.34	571.80
2.18 Other Current Assets		
(i) Prepaid Expenses	86.17	40.00
(ii) Short Term Deposits	309.66	309.36
(iii) Other Receivables	475.91	-
(iv) Balances with Excise Deptt.	260.66	162.18
	1,132.40	511.54

NOTES TO ACCOUNTS (Contd.)

	2012-13	2011-12
		(₹ in Lacs)
2.19 Revenue from Operations		
(i) Revenue from Sale of Products (note 2.44)	60,015.11	53,421.40
(ii) Other Operating Revenue	282.39	267.38
	60,297.50	53,688.78
Less : Discounts	1,145.60	824.43
	59,151.90	52,864.35
Less : Excise duty	6,133.52	4,219.43
	53,018.38	48,644.92
2.20 Other Income		
(i) Interest	2.93	3.66
(ii) Rent Receipt	6.30	-
(iii) Miscellaneous Receipts	6.47	3.35
	15.70	7.01
2.21 Cost of Materials Consumed		
Organic acid/chemicals	9,052.56	6,232.41
Pigments	5,281.66	5,401.34
Solvents & Oils	10,501.03	10,552.04
Packages and Packing Materials	3,497.88	3,415.68
Others*	5,950.14	6,629.15
* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
	34,283.27	32,230.62
2.22 Purchase of Stock-in-Trade (note 2.44)	2,366.99	2,126.44
	2,366.99	2,126.44
2.23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock		
Finished Goods	7,933.12	6,602.43
Work-in-progress	444.49	643.81
Stock-in-trade	468.50	351.07
	8,846.11	7,597.31
Opening Stock		
Finished Goods	6,602.43	1,606.40
Work-in-progress	643.81	422.20
Stock-in-trade	351.07	3,175.50
	7,597.31	5,204.10
	(1,248.80)	(2,393.21)

NOTES TO ACCOUNTS (Contd.)

	2012-13	(₹ in Lacs) 2011-12
2.24 Employee Benefits Expenses		
Salaries and Wages	2,300.09	2,003.58
Contribution to Provident and Other Funds	223.01	210.52
Staff Welfare expenses	348.32	315.48
	2,871.42	2,529.58
2.25 Finance Cost		
Interest and Other expenses	1,512.37	1,345.30
Other Borrowing Cost	145.25	176.54
	1,657.62	1,521.84
2.26 Other Expenses		
Consumption of stores and spare parts	125.14	108.68
Power and fuel	465.00	411.96
Rent	213.30	183.14
Repairs to building	34.99	38.19
Repairs to plant and machinery	47.26	59.93
Insurance	16.71	11.18
Rates and taxes	30.99	14.17
Repairs - others	128.07	137.68
Printing and stationery	80.68	72.59
Communication expenses	99.59	98.91
Directors' fees	3.00	2.80
Payment to the Auditor (note no. 2.31)	7.52	6.34
Cost Audit fees	0.55	0.50
Commission on sales	282.37	219.38
Travelling expenses	459.69	390.36
Application charges	725.28	549.33
Freight	2,452.74	2,132.79
Discount & rebates	5,216.24	5,086.52
Loss on sale of fixed assets	2.38	(0.04)
Bad debts	133.00	100.64
Miscellaneous expenses	416.89	486.07
	10,941.39	10,111.12

NOTES TO ACCOUNTS (Contd.)

	2012-13	(₹ in Lacs) 2011-12
2.27 Liabilities in Note 2.8(ii) include ₹ 1,884.02 Lacs (Previous Year ₹ 2,443.16 Lacs) outstanding in respect of facilities granted to the Company by Small Industries Development Bank of India (SIDBI) as well as interest accrued but not due thereon. Facilities are secured by a first charge on Company's entire fixed assets of Sikandrabad Plant		
2.28 Contingent Liabilities		
Contingent liability not provided for in respect of :		
i) Excise Duty	209.20	292.40
ii) Bank Guarantee	1,322.75	1,488.04
iii) Sales Tax	354.81	311.69
iv) Claims against the Company not acknowledged as debt (to the extent ascertained)	57.47	63.79
v) Income Tax	5.45	-
2.29 In case of one of the Company's offices previously taken on rent, the division Bench of High Court of Calcutta has directed appointment of a Special Referee to arrive at mesne profit payable by the Company. The liability on account of mesne profit as on date Cannot be ascertained.		
2.30 Commitments		
(i) Estimated amount of capital commitments, net of advance of ₹ 1,654.21 lacs (previous year ₹ 11.89)	1,654.21	16.09
(ii) Uncalled Liability on Partly paid up shares	40.50	40.50
(iii) Others	-	-
2.31 Auditors' Remuneration		
Audit Fees	4.00	3.00
Tax Audit Fees	0.75	0.50
Certification fees and other services	0.95	1.10
Reimbursement of Expenses	1.82	1.74
2.32 CIF Value of Imports		
Raw Materials	3,928.80	3,473.07
2.33 Expenditure in Foreign Currency		
Purchase of Raw Material	3,616.81	2,336.07
Travelling Expenses	2.08	1.66
Testing Charges	0.31	0.90
2.34 Earnings in Foreign Currency		
FOB Value of Export	206.11	-

NOTES TO ACCOUNTS (Contd.)

	(₹ in Lacs)	
	2012-13	2011-12
2.35 Amount remitted in foreign currency on account of dividend		
a) Number of Non-resident shareholders	1	1
b) Number of shares held by them (face value ₹ 10 each)	1,180,314	1,180,314
c) Amount of dividend remitted (₹ in Lacs)	118.03	94.43
d) Year to which dividend relates	2011-12	2010-11

2.36 Consumption of imported and indigenous raw materials & stores

	2012-13		2011-12	
	%	₹ in Lacs	%	₹ in Lacs
Imported	8.95	3,096.41	11.67	3,773.09
Indigenous	91.05	31,514.36	88.33	28,566.22
	100.00	34,610.77	100.00	32,339.31

2.37 Disclosure under The Micro, Small & Medium Enterprises Development Act, 2006:

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

2.38 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax liabilities amounting to ₹ 257.98 lacs has been recognised.

	Opening as at April 1, 2012 (₹ In lacs)	Charge /(Credit) during the year (₹ in lacs)	Closing as at March 31, 2013 (₹ in lacs)
Deferred Tax Assets			
Expenses allowable on payment basis	46.73	2.28	49.01
Deferred Tax Liabilities			
Depreciation and related items	(329.58)	22.59	(306.99)
Net Deferred Tax Liabilities	282.85	24.87	257.98

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

	2012-13	2011-12
i) Not later than one year	28.35	54.83
ii) Later than one year and not later than five years	12.48	42.78
iii) Later than five years	-	-
	40.83	97.61

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

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

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2013	Amount 2012-13
S.Sarda	Executive Director	Remuneration	1.82 <i>1.74</i>	24.94 <i>24.94</i>
Smt. Lata Sarda	Relative of ED	Rent etc.	- -	7.20 <i>7.20</i>
Shalimar Adhunik Nirman Ltd.	Subsidiary	Payment made	499.14 <i>498.93</i>	0.21 <i>9.62</i>
Shalimar Adhunik Nirman Ltd.	Subsidiary	Investment	59.50 <i>59.50</i>	- -
Eastern Speciality Paints & Coatings Private Limited	Subsidiary	Investment	1.00 -	- -
Sonabheel Tea Ltd.	Company controlled by Directors	Sales	(-) 0.04 <i>(-) 0.22</i>	2.52 <i>3.33</i>
Jindal Stainless Ltd.	Company controlled by Directors	Sales	22.60 <i>43.69</i>	6.51 <i>91.29</i>

(Note – figures in italics represents previous year amount)

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

2.42 Employees' Benefits

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

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

(a) Defined Benefit Plans/Compensated absences - As per actuarial valuation on March 31, 2013

	Gratuity Funded		Leave Encashment Non funded	
	2012-13	2011-12	2012-13	2011-12
I Expense recognized in the Statement of Profit and Loss				
1 Current Service Cost	30.53	25.89	1.83	1.62
2 Interest on Cost	37.47	35.45	9.83	12.25
3 Employees' Contribution	-	-	-	-
4 Expected Return on Plan Assets	(20.60)	(22.99)	-	-
5 Net Actuarial (Gain) / Losses	28.56	35.09	38.79	34.14
6 Past Service Cost	-	-	-	-
7 Settlement Cost	-	-	-	-
8 Total Expenses	75.96	73.44	50.45	48.01

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

	Gratuity Funded		Leave Encashment Non funded	
	2012-13	2011-12	2012-13	2011-12
II Net Assests / (Liability) recognized in the Balance Sheet				
1 Present Value of Defined Benefits of Obligation as at March 13	484.47	454.16	126.42	119.13
2 Fair Value of plan assets as at March 13	196.69	242.35	-	-
3 Funded status [Surplus/(Deficit)]	(287.78)	(211.81)	(126.42)	(119.13)
4 Net Assests/(Liability) as at March 13	(287.78)	(211.81)	(126.42)	(119.13)
III Change in Obligation during the Year ended				
1 Present Value of Defined Benefit Obligation at beginning of the year	454.16	417.09	119.13	140.01
2 Current Service Cost	30.53	25.89	1.83	1.62
3 Interest Cost	37.47	35.45	9.83	12.25
4 Settlement Cost	-	-	-	-
5 Past Service Cost	-	-	-	-
6 Employee Contributions	-	-	-	-
7 Plan Amendments	-	-	-	-
8 Actuarial (Gain)/ Losses	22.32	20.79	38.79	34.14
9 Benefits Payments	(60.01)	(45.06)	(43.16)	(68.89)
10 Present value of Defined Benefits Obligation at the end of year	484.47	454.16	126.42	119.13
IV Change in Assets during the Year				
1 Plan assets at the beginning of the year	242.35	278.72	-	-
2 Plan assets acquired on amalgamation in Previous Year	-	-	-	-
3 Settlements	-	-	-	-
4 Expected return on plan assets	20.60	22.99	-	-
5 Contributions by employer	-	-	43.16	68.90
6 Actual benefits paid	(60.01)	(45.06)	(43.16)	(68.90)
7 Actual Gains/ (Losses)	(6.25)	(14.30)	-	-
8 Actual return on Plan assets	-	-	-	-
9 Plan assets at the end of the year	196.69	242.35	-	-

NOTES TO ACCOUNTS (Contd.)

	(₹ in Lacs)	
	<u>March 31, 2013</u>	<u>March 31, 2012</u>
V Actuarial Assumptions:		
1 Discount Rate	8.25%	8.50%
2 Rate of increase in salaries	4.50%	5.00%
3 Rate of return on Plan Assets	8.50%	8.50%
4 Mortality	As per standard table LIC (1994-1996) ultimate.	
2.43	There has been a fire break out on January 4, 2013 at Nasik Factory of the Company resulting in damage to a portion of stocks, plant & machineries and a part of building. These assets are insured and accordingly a claim has been lodged with the insurance company. Pending final ascertainment of the claim, the adjustment in fixed assets, which is not material, shall be carried out once the overall loss amount is assessed by the insurer.	
2.44	The Company operates mainly in one business segment i.e. Paints; accordingly sales & stock in trade represent paints.	
2.45	Finance cost include foreign exchange loss of ₹ 149.33 lacs (previous year ₹ 253.33 lacs). In the earlier years, the said losses were shown under the head 'Miscellaneous Expenses.	
2.46	Exceptional items relates to restructuring cost. The Company has incurred during the year restructuring expenses of ₹ 211.78 lacs and the same has been considered by the management as Exceptional item.	
2.47	Previous year's figures have been regrouped / rearranged, wherever necessary.	

Signatures to Notes 1 to 2

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

A. K. Dubey
Partner
(Membership No. 054975)
New Delhi
May 25, 2013

Debendra Banthiya
Company Secretary

For and on behalf of the Board

G. Jhunjhnuwala
Chairman

Dr. R. Srinivasan
Director

Statement Regarding Subsidiary Company

Pursuant to Section 212 of Companies Act, 1956

1. Name of the Subsidiary Company	Shalimar Adhunik Nirman Limited
2. The Financial Year of the Subsidiary Company ended	March 31, 2013
3. Holding Company's Interest as at March 31, 2013	
a) i) No. of Fully Paid up Shares held	49,990 Shares of ₹ 10/- each
ii) No. of Partly Paid Equity Shares held	45,000 Shares of ₹ 10/- each (₹ 1/- paid up)
iii) No. of Fully paid up Preferential Share held	50,000 shares of ₹ 100 each
b) Percentage of shareholding	99.99%
4. Net aggregate amount of Profits/Losses of the Subsidiary so far as it concerns the members of the Company	
a) Not dealt with in the Accounts of the Company for the financial year ended March 31, 2013	
i) for the financial year of the Subsidiary	NIL
ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company.	NIL
b) Dealt with in the Accounts of the Company	
i) for the financial year of the Subsidiary	NIL
ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company.	NIL

On behalf of the Board of Directors

New Delhi
May 25, 2013

Girish Jhunjhnuwala
(Chairman)



Statement Regarding Subsidiary Company

Pursuant to Section 212 of Companies Act, 1956

1. Name of the Subsidiary Company	Eastern Speciality Paints & Coatings Private Limited
2. The Financial Year of the Subsidiary Company ended	March 31, 2013
3. Holding Company's Interest as at March 31, 2013	
a) i) No. of Fully Paid up Shares held	10,000 Shares of ₹ 10/- each
ii) No. of Partly Paid Equity Shares held	Nil
iii) No. of Fully paid up Preferential Share held	Nil
b) Percentage of shareholding	100.00%
4. Net aggregate amount of Profits/Losses of the Subsidiary so far as it concerns the members of the Company	
a) Not dealt with in the Accounts of the Company for the financial year ended March 31, 2013	
i) for the financial year of the Subsidiary	NIL
ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company.	NIL
b) Dealt with in the Accounts of the Company	
i) for the financial year of the Subsidiary	NIL
ii) for previous financial years of the Subsidiary since it became Subsidiary of the Company.	NIL

On behalf of the Board of Directors

New Delhi
May 25, 2013

Girish Jhunjhnuwala
(Chairman)



Independent Auditors' Report

To The Board of Directors of Shalimar Paints Limited

We have audited the accompanying consolidated financial statements of Shalimar Paints Limited ("the Company") and its subsidiaries, Shalimar Adhunik Nirman Limited & Eastern Speciality Paints & Coatings Private Limited, which comprise the consolidated Balance Sheet as at March 31, 2013, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

We did not audit the financial statements of Eastern Speciality Paints & Coatings Private Limited, a subsidiary company of "the Company" whose financial statements reflects total assets of ₹ 1,02,100 as at 31st March, 2013 and total revenue of ₹ NIL for the year ended on that date. These financial statements have been audited by other auditor whose report have been furnished to us and our opinion, in so far its relates to the amount included in respect of the said subsidiary, based solely on the report of other auditor.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For CHATURVEDI & PARTNERS
Chartered Accountants
Firm Reg No-307068E

Anup Kumar Dubey
Partner

Membership No: 054975

Place: New Delhi
Dated: May 25, 2013



Consolidated Balance Sheet as at March 31, 2013

Particulars	Note No.	(₹ in Lacs)	
		March 31, 2013	March 31, 2012
I. EQUITY AND LIABILITIES			
1. Shareholders' fund			
(a) Share Capital	2.1	378.57	378.57
(b) Reserve and Surplus	2.2	7,122.12	5,993.84
		7,500.69	6,372.41
2. Non-Current Liabilities			
(a) Long Term Borrowings	2.3	705.30	3.36
(b) Deferred Tax Liabilities (Net)	2.4	257.98	282.85
(c) Other Long Term Liabilities	2.5	54.29	34.00
(d) Long Term Provisions	2.6	697.22	627.42
		1,714.79	947.63
3. Current Liabilities			
(a) Short Term Borrowings	2.7	8,104.63	6,880.83
(b) Trade Payables	2.8	16,434.40	13,158.30
(c) Other Current Liabilities	2.9	2,747.61	2,137.56
(d) Short Term Provisions	2.10	168.91	826.35
		27,455.55	23,003.04
Total		36,671.03	30,323.08
II ASSETS			
1 Non Current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		3,620.74	3,582.62
(ii) Intangible Assets		120.36	189.68
(iii) Capital Work-in-Progress		787.54	90.90
(b) Non Current Investment	2.12	20.23	20.23
(c) Long Term Loans and Advances	2.13	127.82	122.57
(d) Other Non-Current Assets		5.26	4.36
		4,681.95	4,010.36
2 Current Assets			
(a) Inventories	2.14	13,196.54	10,581.19
(b) Trade Receivable	2.15	15,447.61	13,821.43
(c) Cash and Cash Equivalents	2.16	1,516.35	1,325.69
(d) Short Term Loans and Advances	2.17	696.18	72.87
(e) Other Current Assets	2.18	1,132.40	511.54
		31,989.08	26,312.72
Total		36,671.03	30,323.08

Significant Accounting Policies and Notes on Accounts 1 & 2

Notes referred to above form an integral part of the Accounts.
This is the Balance Sheet referred to in our report of even date.

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

A. K. Dubey
Partner
(Membership No. 054975)
New Delhi
May 25, 2013

Debendra Banthiya
Company Secretary

For and on behalf of the Board

G. Jhunjhnuwala
Chairman

Dr. R. Srinivasan
Director

Consolidated Statement of Profit and Loss for the year ended March 31, 2013

		(₹ in Lacs)	
Particulars	Note No.	2012-13	2011-12
I. Revenue from Operations	2.19	59,151.90	52,864.35
Less : Excise Duty		6,133.52	4,219.43
		53,018.38	48,644.92
II. Other Income	2.20	15.70	7.01
III. Total Revenue (I + II)		53,034.08	48,651.93
IV. Expenses			
Cost of materials consumed	2.21	34,283.27	32,230.62
Purchases of Stock-in-trade	2.22	2,366.99	2,126.44
Changes in inventories of finished goods, work-in-progress and Stock-in-trade	2.23	(1,248.80)	(2,393.21)
Employee benefits expense	2.24	2,871.42	2,529.58
Finance Costs	2.25	1,657.62	1,521.84
Depreciation and amortization expense	2.11	384.09	429.80
Other expense	2.26	10,941.39	10,111.13
Total Expenses		51,255.98	46,556.20
V. Profit before exceptional and extraordinary items and tax (III-IV)		1,778.10	2,095.73
VI. Exceptional Items		211.78	-
VII. Profit before extraordinary items and tax (V - VI)		1,566.32	2,095.73
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		1,566.32	2,095.73
X. Tax expense			
(1) Current Tax		489.38	681.75
(2) Deferred Tax		(24.87)	(32.29)
		464.51	649.46
XI. Profit / (Loss) for the period (IX-X)		1,101.81	1,446.27
XII. Earnings per equity share Basic & Diluted (in ₹)		5.82	7.64

Significant Accounting Policies and Notes on Accounts 1&2

Notes referred to above form an integral part of the Accounts.

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

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

A. K. Dubey
Partner
(Membership No. 054975)
New Delhi
May 25, 2013

Debendra Banthiya
Company Secretary

For and on behalf of the Board

G. Jhunjhnuwala
Chairman

Dr. R. Srinivasan
Director



Consolidated Cash Flow Statement for year ended March 31, 2013

	(₹ in Lacs)	
	2012-13	2011-12
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit before Tax and Extraordinary items	1,566.32	2,095.73
Adjusted for :		
Depreciation	384.09	429.80
Interest/Other Income	(15.70)	(7.01)
Bad debts	133.00	100.64
Interest Expenses	1,657.62	1,521.84
Transfer from Revaluation Reserve	(4.50)	(4.79)
Loss / (Profit) on sale of Fixed Assets	2.38	(0.04)
Operating Profit before Working Capital Changes	3,723.21	4,136.17
Adjusted for:		
Trade and Other Receivables	(3,009.32)	(2,909.41)
Inventories	(2,615.36)	(2,269.59)
Trade Payables & Other Liabilities	5,067.59	2,987.32
Direct Taxes paid (net of refund)	(603.05)	(435.69)
Cash Generated from Operating Activities	2,563.07	1,508.80
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(1,062.57)	(352.59)
Sale of Fixed Assets	10.66	3.84
Interest /Other Income Received	15.54	6.92
Net Cash used in Investing Activity	(1,036.37)	(341.83)
C CASH FLOW FROM FINANCIAL ACTIVITIES		
Proceeds from Borrowings	701.94	918.33
Interest Paid	(1,659.42)	(1,523.44)
Dividend Paid	(378.56)	(301.44)
Net Cash used in Financing Activities	(1,336.04)	(906.55)
Net Increase in Cash and Cash Equivalents (A+B+C)	190.66	260.42
Opening Balance of Cash and Cash Equivalents	1,325.69	1,065.27
Closing Balance of Cash and Cash Equivalents	1,516.35	1,325.69

This is the Cash Flow Statement referred to in our report of even date.

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

For and on behalf of the Board

A. K. Dubey
Partner
(Membership No. 054975)
New Delhi
May 25, 2013

Debendra Banthiya
Company Secretary

G. Jhunjhnuwala
Chairman

Dr. R. Srinivasan
Director

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION

- (i) The Consolidated Financial Statements are prepared in accordance with Accounting Standard (AS) 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The Consolidated Financial Statement comprises the financial statement of Shalimar Paints Limited (the Company) and its Subsidiaries, Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coatings Pvt. Ltd. The Company and its Subsidiary constitute Shalimar Group.
- (ii) The financial Statements have been prepared to comply in all material aspects in respect with the notified Accounting Standard Rules, 2006
- (iii) Financial statements are based on historical cost and are prepared on accrual basis, except where impairment is made and revaluation is carried out.
- (iv) Accounting Policies have been consistently applied by the Group and are consistent with those used in the previous year.
- (v) The financial statement of the company and its subsidiary company have been consolidated on line by line basis by adding together the book value of like items of assets, liability, after eliminating intra- group balances and intra- group transactions.
- (vi) The Consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and presented, to the extent possible, in the same manner as the company's separate financial statements.

1.2 GENERAL

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

1.3 FIXED ASSETS

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

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

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

1.4 LEASE ACCOUNTING

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

1.5 DEPRECIATION

Depreciation on fixed assets is provided at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956 and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal:

- a) In respect of assets located at Nashik and Sikandrabad Plant - on straight line method.
- b) In respect of other assets - on written down value method.

Depreciation on amount added on revaluation is recouped from Fixed Assets Revaluation Reserve.

1.6 INVESTMENTS

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

1.7 FOREIGN CURRENCY TRANSACTIONS

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

SIGNIFICANT ACCOUNTING POLICIES (Contd.)

1.8 INVENTORY

- a) Raw materials including materials in transit, stores & spare parts and loose tools are valued at lower of cost or net realisable value.
- b) Stock in trade, finished goods and work-in-process are valued at lower of cost or net realisable value.
- c) The cost which is arrived at following weighted average basis, comprises all direct costs including taxes and duties net of cenvat credits, transportation and other costs incurred in bringing the inventories to the present location and conditions.
- d) The obsolete/damaged items of inventories are valued at estimated realisable value.

1.9 SALES

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

1.10 RETIREMENT BENEFITS TO EMPLOYEES

- (i) The Company operates defined contributions schemes.
The Company makes regular contribution to provident funds which are fully funded and administered by Government and are independent of Company's finance. Contributions are recognized in Statement of Profit & Loss on an accrual basis.
- (ii) The Company is maintaining Defined Benefit Plan for its Gratuity Scheme. The Company contributes to gratuity fund and such contribution is determined by the actuary at the end of the year. The gratuity fund is administered by the Trustees.
- (iii) For Schemes where recognized funds have been set up, annual contributions are made as determined as per the actuarial valuation report. Actuarial gains & losses are recognized in the Statement of Profit & Loss. The Company recognizes in the Statement of Profit & Loss gains or losses on curtailment or settlement of a defined benefit plan as and when the curtailment or settlement occurs.
- (iv) Provision is made for leave encashment benefit payable to employees on the basis of independent actuarial valuation at the end of each year and charge is recognized in the Statement of Profit and Loss.

1.11 BORROWING COST

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

1.12 TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961.

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

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

1.13 VOLUNTARY RETIREMENT SCHEME

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

1.14 CONTINGENT LIABILITIES

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

2. NOTES TO ACCOUNTS

(₹ in Lacs)

	<u>March 31, 2013</u>	<u>March 31, 2012</u>
2.1 Share Capital		
(i) Authorised		
4 00 00 000 Equity Shares, Par Value ₹ 2/- each (80,00,000 Equity Shares, Par Value ₹ 10/- each)	800.00	800.00
(ii) Issued, Subscribed and Fully Paid-up		
1,89,28,100 Equity Shares, Par Value ₹ 2/- each (37,85,620 Equity Shares, Par Value ₹ 10/- each)	378.56	378.56
(iii) Share Forfeiture Account	0.01	0.01
	<u>378.57</u>	<u>378.57</u>

(iv) Reconciliation of number of shares and share capital

Particulars	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
Number of shares vis-à-vis amount at the beginning	3,785,620	378.56	3,785,620	378.56
Add: Shares issued *	15,142,480	-	-	-
Number of shares vis-à-vis amount at the end	<u>18,928,100</u>	<u>378.56</u>	<u>3,785,620</u>	<u>378.56</u>

* Increase in number of shares consequent upon splitting of equity share of face value of ₹ 10 each to face value of ₹ 2 each as per resolution passed at EOGM dated October 26, 2012 by shareholder

(v) Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 2 each (P.Y. ₹ 10 each). Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

Name of Shareholders	<u>March 31, 2013</u>		<u>March 31, 2012</u>	
	<u>No. of Shares</u> <u>Face Value</u> <u>₹ 2 each</u>	<u>% held</u>	<u>No. of Shares</u> <u>Face Value</u> <u>₹ 10 each</u>	<u>% held</u>
Hind Strategic Investments	5,841,570	30.86	1,180,314	31.18
Quantum Securities Private Limited	2,37,630	6.28	4,71,943	12.47
Hexa Securities and Finance Co. Ltd.	1,500,000	7.92	300,000	7.92
Nalwa Sons Investments Ltd (formerly Jindal Strips Limited)	1,372,590	7.25	274,518	7.25
Colorado Trading Company Limited	1,224,625	6.47	244,925	6.47
Nalwa Investments Limited	1,193,855	6.31	238,771	6.31
Quantum Securities Private Limited	200,000	1.06	237,630	.28

NOTES TO ACCOUNTS (Contd.)

	March 31, 2013	March 31, 2012
		(₹ in Lacs)
2.2 Reserve and Surplus		
Reserve and Surplus consist of following reserves :		
(i) Capital Reserve		
Opening Balance	32.24	32.24
Addition during the year (net)	-	-
Closing Balance	32.24	32.24
(ii) Securities Premium Account		
Opening Balance	949.27	949.27
Addition during the year (net)	-	-
Closing Balance	949.27	949.27
(iii) Fixed Asset Revaluation Reserve		
Opening Balance	286.31	291.10
Transferred to Profit and Loss Statement	(4.50)	(4.79)
Closing Balance	281.81	286.31
(iv) Export Profit Reserve		
Opening Balance	1.95	1.95
Addition during the year (net)	(1.95)	-
Closing Balance	-	1.95
(v) General Reserve		
Opening Balance	3,756.56	2,956.56
Addition during the year (net)	1.95	800.00
Closing Balance	3,758.51	3,756.56
(vi) Surplus in the Statement of Profit and Loss		
Opening Balance	967.51	761.21
Add: Profit for the year	1,101.81	1,446.27
Add: Adjustment for earlier year Tax	30.97	-
Surplus available for Appropriations	2,100.29	2,207.48
Less : Appropriations		
General Reserve	-	800.00
Proposed Dividend	-	378.56
Provision for Tax on Dividend	-	61.41
	2,100.29	967.51
	7,122.12	5,993.84
2.3 Long Term Borrowings		
Secured		
Term Loans		
(i) From Bank		
(a) Vehicle Loan (secured by hypothecation of vehicle financed term of payment 36 months)	5.05	3.36
(b) Term Loan	700.25	-
(Secured by hypothecation of entire stocks, current assets on parri-passu basis with other consortium members banks. First charge on entire fixed assets of the Company on pari-passu basis with other consortium member (by way of EM on Land & building and hypothecation charge on other fixed assets) situated at the Company's Factory at Nasik Mumbai road, Village Gonde (Ghoti), Nashik, standing in the name of the Company. Second Charge on pari-passu basis with consortium members (first charge with SIDBI) on the entire fixed assets at the Company's factory situated at A1 & A2, UPSIDC Industrial Area, District Bulandsahar, Sikandarabad. First pari-passu charge with consortium on the Plant & Machinery of the Company at Howrah Factory. Second pari-passu charge on EM / RM over Land & Building at Survey Nos. 1A1B, 3/2, 3/1, 15/1A, 15/1B, 15/1C, No. 19, Chinnapuliur Village, Gummidipoondi Taluka, Thiruvallur District, Tamilnadu and hypothecation charge over the Plant & Machinery to be purchased out of the Term Loan.)		
	705.30	3.36

NOTES TO ACCOUNTS (Contd.)

	(₹ in Lacs)	
	March 31, 2013	March 31, 2012
2.4 Deferred Tax Liabilities (net)		
(i) Deferred Tax Assets	(49.01)	(46.73)
Expenses allowable on payment basis		
(ii) Deferred Tax Liabilities	306.99	329.58
Depreciation and related items (note 2.38)		
	257.98	282.85
2.5 Other Long Term Liabilities		
Trade Deposit	54.29	34.00
	54.29	34.00
2.6 Long Term Provisions		
Provision for Employees' Benefits (note 2.41)	397.22	327.42
Others	300.00	300.00
	697.22	627.42
2.7 Short Term Borrowings		
Secured		
(i) Loans repayable on demand	7,104.63	6,869.73
From Bank (Cash credit and WCDL) (Secured by pari passu hypothecation of the Company's entire stock of raw materials, finished goods, stocks in process, consumable stores and spare parts, bills receivable and book debts and all other moveable of the Company's factories, premises and godown situated at Howrah, Nasik and Sikandrabad (U.P.) and various places located throughout the country: and first charges on Company's all Plant and Machinery at Howrah plant and first charge on the entire fixed assets of the Nasik plant and second charge on the entire fixed assets of Sikandrabad plant.)		
Unsecured		
(ii) Short Term Loan from Bank	1,000.00	-
(iii) Deposits	-	11.10
	8,104.63	6,880.83

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

	March 31, 2013	March 31, 2012
2.8 Trade Payables		
(i) Acceptances	1,892.17	1,845.88
(ii) Sundry Creditors		
a) Sundry creditors for bill discounting (note 2.27)	4,430.23	2,443.16
b) Others	10,112.00	8,869.26
	16,434.40	13,158.30
2.9 Other Current Liabilities		
(i) Secured		
Current Maturity of Long-term debts	2.26	8.55
(ii) Unsecured		
Unpaid Dividend	20.63	18.04
(iii) Other Payables		
Employee's remuneration	186.33	228.25
Statutory Payment	728.52	628.35
Discount and Rebate	730.43	588.00
Others (Operating Expenses)	1,079.44	666.37
	2,747.61	2,137.56
2.10 Short Term Provisions		
Others		
(i) Provision for Income tax (net)	151.93	382.86
(ii) Proposed Dividend	-	378.56
(iii) Tax on Proposed Dividend	-	61.41
(iv) Provision for Employee Benefits	16.98	3.52
	168.91	826.35

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

2.11 Fixed Assets

PARTICULARS	GROSS BLOCK			ACCUMULATED DEPRECIATION				NET BLOCK		
	As at April 1, 2012	Additions during the period	Adjustments	As at March 31, 2013	Provided Upto March 31, 2012	Provision for the current period	Adjustments	As at March 31, 2013	As at March 31, 2013	As at March 31, 2012
I. Tangible Assets										
Land	1,059.42	-	-	1,059.42	-	-	-	-	1,059.42	1,059.42
Building	1,775.58	37.01	-	1,812.59	762.42	57.13	-	819.55	993.04	1,013.16
Plant & Machinery	2,179.36	82.53	-	2,261.89	1,780.24	61.78	-	1,842.02	419.87	399.12
Leased Equipment	1,559.54	213.76	(14.23)	1,759.07	726.84	129.38	(0.14)	856.08	902.99	832.70
Furniture and Fixture	269.42	4.02	-	273.44	174.72	6.91	-	181.63	91.81	94.70
Office Equipment	824.95	23.85	4.21	853.01	677.82	55.41	(0.16)	733.07	119.94	147.13
Motor Vehicles	113.29	5.51	(5.39)	113.41	76.90	7.94	(5.10)	79.74	33.67	36.39
Total (A)	7,781.56	366.68	(15.41)	8,132.83	4,198.94	318.54	(5.41)	4,512.09	3,620.74	3,582.62
Previous Year	7,518.50	286.60	(23.54)	7,781.56	3,891.59	327.05	(19.70)	4,198.94	3,582.62	-
II. Intangible Assets										
Computer software	590.01	0.74	-	590.75	422.05	65.41	-	487.46	103.29	167.96
Technical know how	62.72	-	-	62.72	41.00	4.65	-	45.65	17.07	21.72
Total (B)	652.73	0.74	-	653.47	463.05	70.06	-	533.11	120.36	189.68
Previous Year	646.60	6.13	-	652.73	355.51	107.54	-	463.05	189.68	-
III. Capital Work-in-Progress										
Capital WIP	-	-	-	-	-	-	-	-	787.54	90.90
Total (C)	-	-	-	-	-	-	-	-	787.54	90.90
Previous Year	-	-	-	-	-	-	-	-	90.90	-
Total (A+B+C)	8,434.29	367.42	(15.41)	8,786.30	4,661.99	388.59	(5.41)	5,045.20	4,528.64	3,863.20
Previous Year	8,165.10	292.73	(23.54)	8,434.29	4,247.10	434.59	(19.70)	4,661.99	3,863.20	-

Note: Depreciation on tangible assets for year includes depreciation on amount added on revaluation of ₹ 4.50 lacs (Pre. Yr. ₹ 4.79 lacs) recouped from Fixed Assets revaluation reserve.

(₹ in Lacs)

2.12 Non Current Investments - Other Investment, at cost

Investment in Debentures or Bonds - Unquoted

₹ 6,500 1/2% Woodland Medical Centre Ltd.	0.06	0.06
₹ 17,000 5% Woodland Medical Centre Ltd.	0.17	0.17

Investment in Mutul Funds - Quoted

UTI Infrastructure Fund -Growth		
UTI Advantage Fund - Growth Plan (now converted to UTI Infrastructure Fund - Growth)		
200000 Units of ₹ 10 Each	20.00	20.00
(Market value of 50925.374 Units @ NAV ₹26.46 as on 28.03.2013)		

20.23 20.23

Aggregate amount of Unquoted Investments **0.23** 0.23

Aggregate amount of Quoted Investments **20.00** 20.00

Market Value of Quoted Investments **13.48** 14.13

NOTES TO ACCOUNTS (Contd.)

	(₹ in Lacs)	
	March 31, 2013	March 31, 2012
2.13 Long Terms Loans and Advances (Unsecured, considered good)		
Security Deposit	127.82	122.57
	127.82	122.57
2.14 Inventories (at cost or net realisable value, whichever is lower)		
Raw Material	4,246.00	2,873.90
Work- in -Progress	444.49	643.81
Finished Goods	7,933.12	6,602.43
Stock- in- Trade	468.50	351.07
Stores & spares	104.43	109.98
	13,196.54	10,581.19
2.15 Trade Receivables (Unsecured, considered good)		
(i) Outstanding for a period exceeding six months from due date	1,081.22	904.27
(ii) Others	14,366.39	12,917.16
	15,447.61	13,821.43
2.16 Cash and Cash Equivalents		
Cash & Bank Balances		
(i) Balances with Bank (in current account)	97.81	116.94
(ii) Cheque, drafts on hand	1,387.36	1,182.61
(iii) Cash in hand	10.17	7.72
Other Bank Balances		
(i) Unpaid Dividend Account	20.63	18.04
(ii) Fixed Deposit Account (for more than 12 months)	0.38	0.38
	1,516.35	1,325.69
2.17 Short Term Loans and Advances - Unsecured, considered good		
(i) Others :		
Advances to Suppliers	515.21	50.06
Advance to Employees	180.97	22.81
	696.18	72.87
2.18 Other Current Assets		
(i) Prepaid Expenses	86.17	40.00
(ii) Short Term Deposit	309.66	309.36
(iii) Other Receivables	475.91	-
(iv) Balances with Excise Deptt.	260.66	162.18
	1,132.40	511.54

NOTES TO ACCOUNTS (Contd.)

	2012-13	(₹ in Lacs) 2011-12
2.19 Revenue from Operations		
(i) Revenue from Sale of Products (note 2.44)	60,015.11	53,421.40
(ii) Other Operating Revenue	282.39	267.38
	60,297.50	53,688.78
Less : Discounts	1,145.60	824.43
	59,151.90	52,864.35
Less : Excise duty	6,133.52	4219.43
	53,018.38	48,644.92
2.20 Other Income		
(i) Interest	2.93	3.66
(ii) Rent Receipt	6.30	-
(iii) Miscellaneous Receipts	6.47	3.35
	15.70	7.01
2.21 Cost of Materials Consumed		
Organic acid/chemicals	9,052.56	6,232.41
Pigments	5,281.66	5,401.34
Solvents & Oils	10,501.03	10,552.04
Packages and Packing Materials	3,497.88	3,415.68
Others*	5,950.14	6,629.15
* Includes individual items of less than 10% of the total and therefore, not considered for the above classification.		
	34,283.27	32,230.62
2.22 Purchase of Stock-in-Trade (note 2.44)	2,366.99	2,126.44
	2,366.99	2,126.44
2.23 Changes in inventories of finished goods, work-in-progress and stock-in-trade		
Closing Stock		
Finished Goods	7,933.12	6602.43
Work-in-progress	444.49	643.81
Stock-in-trade	468.50	351.07
	8,846.11	7 597.31
Opening Stock		
Finished Goods	6,602.43	1,606.40
Work-in-progress	643.81	422.20
Stock-in-trade	351.07	3,175.50
	7,597.31	5,204.10
	(1,248.80)	(2,393.21)

NOTES TO ACCOUNTS (Contd.)

	2012-13	(₹ in Lacs) 2011-12
2.24 Employee Benefits Expenses		
Salaries and Wages	2,300.09	2,003.58
Contribution to Provident and Other Funds	223.01	210.52
Staff Welfare expenses	348.32	315.48
	2,871.42	2,529.58
2.25 Finance Cost		
Interest and Other expense	1,512.37	1,345.30
Other Borrowing cost	145.25	176.54
	1,657.62	1,521.84
2.26 Other Expenses		
Consumption of stores and spare parts	125.14	108.68
Power and fuel	465.00	411.96
Rent	213.30	183.14
Repairs to building	34.99	38.19
Repairs to plant and machinery	47.26	59.93
Insurance	16.71	11.18
Rates and taxes	30.99	14.17
Repairs - others	128.07	137.68
Printing and stationery	80.68	72.59
Communication expenses	99.59	98.91
Directors' fees	3.00	2.80
Payment to the Auditor (note no. 2.31)	7.52	6.34
Cost Audit fees	0.55	0.50
Commission on sales	282.37	219.38
Travelling expenses	459.69	390.36
Application charges	725.28	549.33
Freight	2,452.74	2,132.79
Discount & rebates	5,216.24	5,086.52
loss on sale of fixed assets	2.38	(0.04)
Bad debts	133.00	100.64
Miscellaneous expenses	416.89	486.07
	10,941.39	10,111.12

NOTES TO ACCOUNTS (Contd.)

	2012-13	(₹ in Lacs) 2011-12
2.27 Liabilities in Note 2.8(ii) include ₹ 1,884.02 Lacs (Previous Year ₹ 2,443.16 Lacs) outstanding in respect of facilities granted to the Company by Small Industries Development Bank of India (SIDBI) as well as interest accrued but not due thereon. Facilities are secured by a first charge on Company's entire fixed assets of Sikandrabad Plant		
2.28 Contingent Liabilities		
Contingent liability not provided for in respect of :		
i) Excise Duty	209.20	292.40
ii) Bank Guarantee	1,322.75	1,488.04
iii) Sales Tax	354.81	311.69
iv) Claims against the Company not acknowledged as debt (to the extent ascertained)	57.47	63.79
v) Income Tax	5.45	-
2.29 In case of one of the Company's offices previously taken on rent, the division Bench of High Court of Calcutta has directed appointment of a Special Referee to arrive at mesne profit payable by the Company. The liability on account of mesne profit as on date Cannot be ascertained.		
2.30 Commitments		
(i) Estimated amount of capital commitments, net of advance of ₹ 1,654.21 lacs (previous year ₹ 11.89)	1,654.21	16.09
(ii) Uncalled Liability on Partly paid up shares	40.50	40.50
2.31 Auditors' Remuneration		
Audit Fees	4.00	3.00
Tax Audit Fees	0.75	0.50
Certification fees and other services	0.95	1.10
Reimbursement of Expenses	1.82	1.74
2.32 CIF Value of Imports		
Raw Materials	3,928.80	3,473.07
2.33 Expenditure in foreign currency		
Purchase of Raw Material	3,616.81	2,336.07
Travelling Expenses	2.08	1.66
Testing Charges	0.31	0.90
2.34 Earnings in foreign currency		
FOB Value of Export	206.11	-

NOTES TO ACCOUNTS (Contd.)

	(₹ in Lacs)	
	2012-13	2011-12
2.35 Amount remitted in foreign currency on account of dividend		
a) Number of Non-resident shareholders	1	1
b) Number of shares held by them (face value ₹ 10 each)	1,180,314	1,180,314
c) Amount of dividend remitted (₹ in Lacs)	118.03	94.43
d) Year to which dividend relates	2011-12	2010-11

2.36 Consumption of imported and indigenous raw materials & stores

	2012-13		2011-12	
	%	₹ in Lacs	%	₹ in Lacs
Imported	8.95	3,096.41	11.67	3,773.09
Indigenous	91.05	31,514.36	88.33	28,566.22
	100.00	34,610.77	100.00	32,339.31

2.37 Disclosure under The Micro, Small & Medium Enterprises Development Act, 2006:

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

2.38 The Company has adopted Accounting Standard 22 "Accounting for Taxes on Income"; and the net deferred tax liabilities amounting to ₹ 257.98 lakhs has been recognised.

	Opening as at April 1, 2012 (₹ In lacs)	Charge /(Credit) during the year (₹ in lacs)	Closing as at March 31, 2013 (₹ in lacs)
Deferred Tax Assets			
Expenses allowable on payment basis	46.73	2.28	49.01
Deferred Tax Liabilities			
Depreciation and related items	(329.58)	22.59	(306.99)
Net Deferred Tax Liabilities	282.85	24.87	257.98

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

	2012-13	2011-12
i) Not later than one year	28.35	54.83
ii) Later than one year and not later than five years	12.48	42.78
iii) Later than five years	-	-
	40.83	97.61

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

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

Name of the related parties with whom the transactions have been made	Description of relationship with the party	Nature of Transaction	Amount outstanding as on March 31, 2013	Amount 2012-13
S.Sarda	Executive Director	Remuneration	1.82 <i>1.74</i>	24.94 <i>24.94</i>
Smt. Lata Sarda	Relative of ED	Rent etc.	- -	7.20 <i>7.20</i>
Sonabheel Tea Ltd.	Company controlled by Directors	Sales	(-) 0.04 <i>- 0.22</i>	2.52 <i>3.33</i>
Jindal Stainless Ltd.	Company controlled by Directors	Sales	22.60 <i>43.69</i>	6.51 <i>91.29</i>

(Note – figures in italics represents previous year amount)

2.41 Employees' Benefits

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

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

(a) Defined Benefit Plans/Compensated absences - As per actuarial valuation on March 31, 2013

	Gratuity Funded		Leave Encashment Non funded	
	2012-13	2011-12	2012-13	2011-12
I Expense recognized in the Statement of Profit and Loss				
1 Current Service Cost	30.53	25.89	1.83	1.62
2 Interest on Cost	37.47	35.45	9.83	12.25
3 Employees' Contribution	-	-	-	-
4 Expected Return on Plan Assets	(20.60)	(22.99)	-	-
5 Net Actuarial (Gain) / Losses	28.56	35.09	38.79	34.14
6 Past Service Cost	-	-	-	-
7 Settlement Cost	-	-	-	-
8 Total Expenses	75.96	73.44	50.45	48.01

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

	Gratuity Funded		Leave Encashment Non funded	
	2012-13	2011-12	2012-13	2011-12
II Net Assests / (Liability) recognized in the Balance Sheet				
1 Present Value of Defined Benefits of Obligation as at March 13	484.47	454.16	126.42	119.13
2 Fair Value of plan assets as at March 13	196.69	242.35	-	-
3 Funded status [Surplus/(Deficit)]	(287.78)	(211.81)	(126.42)	(119.13)
4 Net Assests/(Liability) as at March 13	(287.78)	(211.81)	(126.42)	(119.13)
III Change in Obligation during the Year ended				
1 Present Value of Defined Benefit Obligation at beginning of the year	454.16	417.09	119.13	140.01
2 Current Service Cost	30.53	25.89	1.83	1.62
3 Interest Cost	37.47	35.45	9.83	12.25
4 Settlement Cost	-	-	-	-
5 Past Service Cost	-	-	-	-
6 Employee Contributions	-	-	-	-
7 Plan Amendments	-	-	-	-
8 Actuarial (Gain)/ Losses	22.32	20.79	38.79	34.14
9 Benefits Payments	(60.01)	(45.06)	(43.16)	(68.89)
10 Present value of Defined Benefits Obligation at the end of year	484.47	454.16	126.42	119.13
IV Change in Assets during the Year				
1 Plan assets at the beginning of the year	242.35	278.72	-	-
2 Plan assets acquired on amalgamation in Previous Year	-	-	-	-
3 Settlements	-	-	-	-
4 Expected return on plan assets	20.60	22.99	-	-
5 Contributions by employer	-	-	43.16	68.90
6 Actual benefits paid	(60.01)	(45.06)	(43.16)	(68.90)
7 Actual Gains/ (Losses)	(6.25)	(14.30)	-	-
8 Actual return on Plan assets	-	-	-	-
9 Plan assets at the end of the year	196.69	242.35	-	-
V Actuarial Assumptions:				
1 Discount Rate			8.25%	8.50%
2 Rate of increase in salaries			4.50%	5.00%
3 Rate of return on Plan Assets			8.50%	8.50%
4 Mortality			As per standard table LIC (1994-1996) ultimate.	

NOTES TO ACCOUNTS (Contd.)

(₹ in Lacs)

2.42 There has been a fire break out on January 4, 2013 at Nasik Factory of the Company resulting in damage to a portion of stocks, plant & machineries and a part of building. These assets are insured and accordingly a claim has been lodged with the insurance company. Pending final ascertainment of the claim, the adjustment in fixed assets, which is not material, shall be carried out once the overall loss amount is assessed by the insurer.

2.43 With regard to the Subsidiary Companies, since there is no business activities/profit during the year ended March 31, 2013, tax provision including deferred tax, have not been made.

Pre-operative Expenses:

Head of Accounts	March 31, 2013 (₹)	March 31, 2012 (₹)
Audit Fees	0.33	0.28
Printing & Stationary	0.04	0.04
Bank Charges	0.12	0.12
Filing Fees (ROC) and Professional Charges	1.87	1.66
Total	2.36	2.09

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

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

	SANL	ESPCPL
a) Capital (paid up)	59.50	1.00
b) Reserves	NIL	NIL
c) Total Assets	558.97	1.02
d) Total Liabilities	499.47	0.02
e) Detail of Investment (except in case of investment in the subsidiaries)	NIL	NIL
f) Turnover	NIL	NIL
g) Profit before Taxation	NIL	NIL
h) Provision for Taxation	NIL	NIL
i) Profit after Taxation	NIL	NIL
j) Proposed Dividend	NIL	NIL

2.46 Finance cost include foreign exchange loss of ₹ 149.33 lacs (previous year ₹ 253.33 lacs). In the earlier years, the said losses were shown under the head 'Miscellaneous Expenses'.

2.47 Exceptional items relates to restructuring cost. The Company has incurred during the year restructuring expenses of ₹ 211.78 lacs and the same has been considered by the management ,as Exceptional item.

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

Signatures to Notes 1 to 2

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

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

New Delhi
May 25, 2013

For and on behalf of the Board

G. Jhunjhnuwala
Chairman

Dr. R. Srinivasan
Director

Debendra Banthiya
Company Secretary



ATTENDANCE SLIP



Registered Office : Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

DP. Id*	
---------	--

Master Folio No.	
------------------	--

Client Id*	
------------	--

No. of Shares	
---------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I hereby record my presence at the 111th ANNUAL GENERAL MEETING of the Company held on Tuesday, the 6th August, 2013 at 11.00 a.m. at its Registered Office at Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109.

*Applicable for investors holding shares in dematerialised form.

Signature of the shareholder / proxy

PROXY FORM



Registered Office : Goaberia, P.O.: Danesh Shaikh Lane, Howrah - 711 109

DP. Id*	
---------	--

Master Folio No.	
------------------	--

Client Id*	
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No. of Shares	
---------------	--

I/We of
..... being a member/members of Shalimar Paints Limited
hereby appoint of
..... or failing him
..... of
as my/our proxy to vote for me/us and on my/our behalf at the 111th ANNUAL GENERAL MEETING of the Company to be held
on Tuesday, the 6th August, 2013 at 11.00 a.m.

Signed this day of 2013.

Revenue
Stamp

*Applicable for investors holding shares in dematerialised form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company

PRESENCE ACROSS
THE NATION



BOOK-POST



Shalimar Paints Limited

If undelivered please return to:

Regd. Office:

Goaberia, P.O. Danesh Shaikh Lane,
Howrah - 711 109, West Bengal.

www.shalimarpaints.com