

The background of the page is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance. The text is centered on this background.

**BUSINESS RESPOSNSIBILITY REPORT
(2019-20)**

SHALIMAR PAINTS LIMITED

Introduction

In an age when enterprises are increasingly seen as critical components of the society, they are accountable not only to their shareholders from a revenue and profitability perspective but also to the larger society which is also its stakeholder. Hence, adoption of responsible business practices in the interest of the social set-up and the environment are as vital as their financial and operational performance.

Ministry of Corporate Affairs, Government of India, developed the 'National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business' in 2011. These guidelines contain comprehensive principles to be adopted by companies as part of their business practices.

Further Security Exchange Board of India (SEBI) has mandated top 1,000 listed companies of India by market capitalization to publish a Business Responsibility Report (BRR) based on NVG under SEBI Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("SEBI LODR") as amended.

BRR serves as a tool to communicate the performance of organization on Economic, Social and Governance (ESG) parameters to its stakeholders. It also motivates the company to measure, disclose, and be accountable for organizational performance while working towards the goal of responsible and sustainable development.

Shalimar Paints Limited ("SPL") is delighted to present its BRR for the Financial Year 2019-20. This report is developed in-line with the 'suggested framework' by SEBI.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L24222HR1902PLC065611
2. Name of the company	Shalimar Paints Limited ("SPL/the Company")
3. Registered Address	Stainless Centre, 4 th Floor, Plot No. 50, Sector 32, Gurugram – 122001, Haryana
4. Website	https://www.shalimarpaints.com/
5. E-mail ID	askus@shalimarpaints.com
6. Financial year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Paints, Varnishes, Enamels or Lacquers (20221)
8. List three key products/services that the company manufactures/provides.	<p>The Company is engaged in manufacturing paints, varnishes, enamels or lacquers. The Company's product categories include interior walls, exterior walls, metal surfaces, wooden surfaces and floors. Its product categories offer emulsions, distempers, primers, putty and cement-based. It is present in coatings and specialty chemicals segments. The company is present in both the Industrial as well as Decorative Segments.</p> <ul style="list-style-type: none"> • Paints • Varnishes • Enamels or Lacquers
9. Number of locations where business activities are undertaken by the company 1) Total number of International locations 2) Total number of National locations	<p>The Company operates in India, with manufacturing facilities located in Sikandrabad (U.P.), Nasik (Maharashtra) and Chennai (Tamil Nadu).</p> <p>Major sales offices of our company are at:</p> <ul style="list-style-type: none"> - New Delhi - Gurgaon - Siliguri - Kolkata - Guwahati - Cuttack - Patna - Ranchi - Bhiwandi - Nagpur - Pune

	<ul style="list-style-type: none"> - Nasik - Indore - Ahemadabad - Dehradun - Haldwani - Jaipur - Ambala - Ghaziabad - Kanpur - Varanasi - Allahabad - Ludhiana - Jalanhar - Jammu - Zirakpur - Cochin - Calicut - Bangalore - Mangalore - Chennai - Hyderabad - Vizag
<p>10. Markets served by the company Local/State/National/International</p>	<p>The Company is one of the oldest paint companies serving in india with a Legacy of over 100 years. Currently the Company is serving both national and international markets (Seychelles and Nepal) and has clientele in various sectors including the following:</p> <ul style="list-style-type: none"> • Building and construction • Sugar Industry • Airlines • Railways • Dairy • Hotels (Hospitality Industry) • Power

Section B: Financial Details of the Company

1. Paid Up Capital (INR)	Rs. 1,086 Lacs
2. Total Turnover (INR)	Rs. 34,526.66 Lacs
3. Total Profit after Taxes (INR)	Rs. (3,787.60) Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit after Tax (%)	Rs. 2.70 Lacs *

*The Company is not mandated under Section 135 of the Companies Act, 2013 to incur expenditure under CSR, but guided by Mr. Ashok Kumar Gupta, Managing Director of the Company, the Company has planned interventions in the various fields including of education contributing towards communities around which it operates.

5. List of activities in which the expenditure in 4 above has been incurred.

- Promoting Education

Section C: Other Details

Does the company have any Subsidiary Company/Companies?

Yes, Shalimar Paints Limited has 2 Subsidiaries:

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

1. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

No.

2. Do any other entity / entities (e.g. Supplier, distributor etc.) that the Company does business with; participate in the BR initiatives of the Company? If yes indicate the percentage of such entities? (Less than 30%, 30 – 60% and More than 60%)

No.

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the Business Responsibility policy/policies

Name	DIN	Designation
Mr. Ashok Kumar Gupta	01722395	Managing Director

b) Details of the Business Responsibility Head

DIN Number (if applicable)	01722395
Name	Mr. Ashok Kumar Gupta
Designation	Managing Director
Telephone number	(0124) 4616600
E-mail id	ashok.gupta@shalimarpaints.com

2) Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

1.	Do you have policy/policies for...?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		At SPL, we currently have policies in place, which directly and indirectly address 8 out of the 9 NVG Principles.								
2.	Has the policy been formulated in consultation with relevant stakeholders?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		All of SPL policies are formulated after careful consideration and after consultation with key managerial personnel and relevant representatives of our stakeholder groups, who act in the best interest of our stakeholders.								
3.	Does the policy conform to any National /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	N*	Y	Y
		Most of SPL's polices are formulated as mandated under SEBI's Listing Obligations and Disclosure Requirements and they are compliant with the Principles of National Voluntary Guidelines.								
4	Has the policy been approved by the Board?If yes, has it been signed by theMD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	N*	Y	Y

5	Does the Company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	The policies are implemented under the directions of Board/Managing Director.								
6	Indicate the link to view the policy online?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com . Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com . Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
8	Does the Company have in-house structure to implement its policy/policies?	Y	Y	Y	Y	Y	Y	N*	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to policy/policies?	<p>At SPL, we have a Stakeholders Relationship Committee at the Board level, which addresses the grievance of all stakeholders.</p> <p>Additionally, we also have a Whistle Blower Mechanism which covers all our stakeholders' grievances.</p>								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	N*	Y	Y
		SPL's Secretarial auditors review majority of the policies which are formulated as per SEBI requirements and also check for compliance. SPL's Internal auditor also reviews processes and policies and also covers implementation and makes notes of any deviations from the policies.								

* Currently, SPL does not have a formal policy in place to address public advocacy (P7 of NVG). However, it is our belief that our Code of Conduct does cover aspects of Responsible advocacy of public policy, like ethics and integrity.

b) If answer against any principle, is 'No', please explain why: (Tick up to 2 options):

S.NO	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done in the next 6 months									
5.	It is planned to be done in the next year									
6.	Any other reason (please specify)							Currently at Draft Stage		

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

SPL assesses its BR performance annually.

b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

SPL publishes Business Responsibility Report, as and when it is applicable to the Company. These reports are on Company's website: www.shalimarpaints.com

Section E: Principle Wise Performance

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, all internal stakeholders of SPL are subjected to work within the boundaries of this policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

No complaint was received during the past financial year related to ethics, transparency and accountability.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

Not applicable

2. For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

(i) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

(ii) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

(i) Shalimar Paints have four existing manufacturing facilities. Out of which 2 plants are currently in operation. All the existing manufacturing facilities continued their efforts to reduce the specific energy consumption. We have introduced systems to track and trend Energy consumption, with respect to Power purchased from grid, inhouse generation from DG , fuel used etc., on a continuous basis. We have mapped energy norms at individual machine, product, and individual block and at factory level. In addition, we have started internal benchmarking practices on energy performance, to compare the relative performance between plants. In that process, we have created platform to help share the good practices amongst different plants.

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

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

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

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

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

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

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Provide details thereof, in about 50 words or so.

Yes , the Company has procedures in place for sustainable sourcing. Approx 90% of the sourcing is for our Plants and only 10% items which mainly constitutes of smaller volume are on Ex-works of suppliers. For these smaller items also we have fixed transport contracts from Vendor`s place to our plants.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, the Company procures some goods and services from local and small producers which are nearer to our factories. These smaller producers are regularly given feedback on their quality of goods as well delivery performance

5. Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?

There is no mechanism to recycle products and waste. It is disposed off as scrap as per the rules.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the total number of employees

472 employees

2. Please indicate the total number of employees hired on temporary/ contractual/casual basis.

28 (Contract Retainers)

3. Please indicate the number of permanent women employees.

25 employees

4. Please indicate the number of permanent employees with disability.

None

5. Do you have an employee association that is recognized by management?

None

6. What percentage of your permanent employees are a member of this recognized employee association?

None

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

During the year, no complaint relating to child labour, forced labour, involuntary, labour and sexual harassment was received by the Company.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

At SPL, we place high importance on the safety of our employees and to ensure this, 100% of our employees received health and safety training.

Principle 4:

Engaging Stakeholders - Sustaining Value

Ours is an inclusive model where we value each and every stakeholder and their opinion matters to us. At Shalimar Paints, we believe in transparent dialogue where anyone should be able to voice their opinions; that they should be listened to; and that they can expect a considered and constructive response.

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the Company has conducted a mapping exercise, from which we have classified our stakeholders into the following categories - Investors, Shareholders, Employees, Local Communities (including vulnerable groups such as indigenous communities, women and persons with disabilities), Civil society (including Non-Governmental Organisations) NGOs, legal institutions, trade associations, media,

suppliers, business partners, customers, dealers, regulatory bodies and competitors. Engagement responsibility for each stakeholder group is entrusted with specific teams in our Company.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised stakeholders?

Yes, we have identified disadvantaged, vulnerable and marginalised stakeholders and it is an on-going process. Through our CSR programs we have focused on the development of underprivileged and people from low income group in our nearby communities. We have also worked for visually impaired kids, to bring colours to the lives of these kids, we painted the recovery rooms of the eye hospital with the colorful murals.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised stakeholders? If so, provide details thereof, in about 50 words or so.

Yes, we are engaged with the disadvantaged, vulnerable and marginalised stakeholders through various programs. Focus has been given to people from low-income group and special skill training programs have been developed for them by the Company to make it effective and fruitful.

Principle 5:

Promoting Human Rights

At Shalimar Paints Limited, we respect human rights and the policy is embedded in our Company's Code of Conduct. Our Human Rights Policy is aligned to the UN Guiding Principles on business and Human Rights and includes strict prohibition of child or forced labour – either directly or through contract labour. Additionally, our Code of Business Conduct and Ethics (Code) commits us to comply with all relevant national laws and regulations, underpinning our approach to protecting the fundamental rights of all our direct and indirect employees. Human rights training is an integral part of our Sustainable Development Framework implementation and is covered through training on Code of Business Conduct and Ethics.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/ Joint Ventures/ Suppliers/ Contractors/ NGOs/ Others?

Human Rights policy is aligned to the UN Guiding Principles on Business and Human Rights and is a mandate for all of its Group Company's employee's. Further it also encompasses all its suppliers, contractors and NGOs. We have rolled out the implementation of UK Modern Slavery Act, 2015 across our suppliers and vendors in order to mitigate risk of slavery (subset of Human Rights) across the supply chain.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint was received pertaining to human rights violation during the reporting period.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.

We have established & implemented Environment policy to safe guard Environmental damage. A process is maintained for improving Environment Management System to ensure complete satisfaction & value creation to all stake holders. We take every step to measure possible in managing environment related activities as per ISO: 14001:2015.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, we are sapling at a regular interval & encouraging for plantation at the free space to safeguard environment as well as global warming.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, our two units are as part of ISO: 14001:2015, and all four units are as part of 9001/2015 Certification. We undertake continuous assessment of the potentiality of environmental risk. We also undertake internal & external audits under EMS to assess the implementation of our environment related activities.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

No, the Company has not taken any project related to Clean Development Mechanism during the reporting period.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.

Yes, we have incorporated perplex/translucent sheet & turbo ventilation system at our newly constructed Regional Distribution centre located at Sikandrabad plant, for efficiently energy saving during day time by proper utilisation of sunlight.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes, the emissions/ Hazardous waste generated at plant/factory is within the permissible limits as per CTE/CTO of CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No such case in legal department's records.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Not Applicable

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Not Applicable

Principle 8:

1. Does the Company have specified programs/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

At Shalimar Paints, we believe in Inclusive growth of the marginalized stakeholders. We are committed to add value to the local stakeholders wherever we operate. This may be through employment, trade development, enhanced infrastructure, or greater well-being and empowerment. Our community investment strategy focuses on health, education, livelihoods and environment. We are constantly working towards the developmental needs of the underprivileged communities through our CSR programs to create an inclusive and equitable society. Education, skilling, women's empowerment, water, health and agriculture/livestock continue to be our priority areas. Consistent with our Sustainable Development Model of drawing on global best practice, our community investment approach is being aligned to the UN Sustainable Development Goals. We firmly believe in the power of partnerships and follow a Public-Private-People-Partnership (4P's) model. This is in keeping with our commitment towards co-creation, inclusion and community ownership of social initiatives.

As a responsible corporate citizen, the Company focusses on ethical and transparent business practices, with inclusive community development lying at the core of its social initiatives. The focus of our community investment initiatives is on upliftment of underprivileged, especially integrated development, which impacts the overall socio-economic growth and empowerment of people, in keeping with the national and international development agendas.

2. Are the programs/projects undertaken through in-house team/ own foundation/ external NGO/ government structures/ any other organisation?

We implement our programs through all the following modes – directly through our Corporate Social Responsibility team and in partnership with government and civil society organizations. We also actively encourage our own employees to contribute towards these social initiatives.

3. Have you done any impact assessment of your initiative?

Yes, we assess the impact created by our projects by engaging external agencies at periodic intervals.

4. What is your Company's direct contribution to community development projects- Amount in and the details of the projects undertaken?

Since there were no profits (calculated in accordance with the provisions of Section 198 of the Companies Act, 2013) during last three financial years, therefore the Company is not mandated under Section 135 of the Companies Act, 2013 to incur expenditure on CSR for the financial year 2019-20. However being guided by Mr. Ashok Kumar Gupta, Managing Director of the Company, the Company has planned interventions in various fields including education contributing towards communities around which it operates.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Most of our programs emerge from a community needs assessment and are delivered in close partnership with them. For the successful implementation and adoption of our initiatives, we consult and engage with all appropriate stakeholders, right from the inception of the projects. Communities are also involved at every step of these programs. Our role is chiefly that of a catalyst in the whole process.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No such complaints in legal department's records.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes, all our packaging adheres to the legal metrology.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No such case in legal department's records.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes