SHALIMAR
PAINTS
SINCE 1902

ANNUAL REPORT
2022-23

Har Rang Khoobsurat

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DR. RAJEEV UBEROI
CHAIRMAN

Dear Shareholders,

It gives me immense pleasure to update you that after decades of dullness, Shalimar Paints, the oldest Paint Company in India, is embarking on a journey to regain its sheen. The year 2022-23 started on a positive note with the world and India finally getting away from the pandemic era. The news was good for your Company too as this was the first time in a decade that we were able to breach the 500 Crore mark in revenue on gross basis, registering a growth of 36% and gaining market share both in decorative and industrial space.

With a vision to be among the top 5 companies in India amongst the paint sphere, your Company has taken up the goal of completely modernizing the plants and for the said purpose, your Company has set up a Capex of ~Rs 190 crore primarily aiming at augmenting production capacities, automation, modernization & productivity improvements at Company's three plants situated at Sikandrabad, Nashik and Chennai including modernization of R&D Centre at Nashik.

The investment is a part of your Company's 'Shalimar 2.0' strategy. Despite being a household name, Shalimar Paints over the last 20-25 years, has been overtaken by its competitors. The brand currently holds less than 1 per cent of the market share. Shalimar 2.0 is giving a makeover to the corporation. Your Company is trying to make the brand a modern, vibrant, and technologically driven organization and is trying to be in the lead.

We at Shalimar Paints are preparing and doing the groundwork for the potentially golden period ahead. Upgrading plant infrastructure, expanding research and development capacities and fortifying the supply chain are key focus areas expected to drive product improvements in the decorative and industrial segments. The purchase and sales systems are being upgraded and automated to reflect the latest trends. New products are being developed for decorative segments to account for the changing tastes.

Going Forward, your Company will continue to improve its market share as well as improve margins so as to become a profitable company. Your Company is using technology and AI to facilitate our communication and interaction with painters, dealers, and last mile customers. In the next 6-8 months, these new initiatives will be launched.

Your Company has recorded an improvement in revenues even though the bottom line was further impacted due to rising cost of inputs. The challenge before the management is to mitigate theses obstacles and become profitable. To minimize the impact of cost escalation, the Company has taken number of steps. The Company has started to source raw materials based on reverse auction principle. In addition, Company has also started direct import of certain raw materials. In addition, R&D is working on change in formulation to reduce costs. The Company is also trying to control its fixed costs as well as interest costs so that benefit of increased revenue can be reflected in bottom line.

With these words, I express my sincere thanks to all our shareholders, investors, employees, bankers, customers, vendors and other business associates for their faith in the Company and hope that our bond will become stronger in days to come.

I convey my best wishes for the upcoming festive season.

Thank you,

Dr. Rajeev Uberoi

DECORATIVE PAINTS

SIGNATURE

INTERIOR LUXURY EMULSION

The toughness of pure acrylic binders forfeited with fluoro polymers impart high level of inertness giving a long- lasting, luxurious and stain-free finish. Signature Luxury Emulsion has superior Bacterial and Fungus Resistance.

WEATHER PRO+

EXTERIOR SUPER PREMIUM EMULSION

A water-based Super Premium 100% acrylic exterior emulsion with silicon additives that safeguard your walls from extreme weather conditions like rain, humidity & heat. It reflects sun rays to help reduce heat build - up, blocks out damaging ultraviolet rays & prevent algal & fungal formation on walls.

SUPERLAC STAY CLEAN

INTERIOR PREMIUM ACRYLIC EMULSION

Superlac Stay Clean is a water based super premium emulsion which provides Easy Stain Cleanability to household stains such as tea, coffee, ketchup etc. It is formulated with advance stain guard technology which gives superior stain resistance to household stains.

XTRA TOUGH

EXTERIOR SUPER PREMIUM EMULSION

Formulated with special additives and fine pigments to provide rich finish with anti-fading/ anti-flaking property. It has superior Algae and Fungus resistance. Pure Acrylic Emulsion technology with silicon additives. It's tough and durable film effectively withstands in all weather conditions.

INDUSTRIAL PAINTS

PROTECTIVE COATINGS

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

CAN COATINGS

We are the leading coating manufacturer & supplier in the organised paints and metal packaging segments in India. Our products can be easily found everywhere – from food cans to metal closures, to PP caps and paint cans etc.

MARINE COATINGS

Shalimar Paints is known for its century-old know-how and expertise in Marine requirements. We have supplied paints for M.V. Rani Padmini, the first vessel with carrying capacity of 76000 DWT, built in Cochin Shipyard. We have various products in the marine segment:

- Antifouling paint for boats
- Marine structures above ground
- Full range of fishing trawlers

PIPELINE COATINGS

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

TUFFKOTE

Protecting National Assets **Since 1902**

For over a century, Shalimar Paints has been in the business of protecting national assets by enhancing effective service life of plants & machinery with its TUFFKOTE range of high-performance coatings such as high-build zinc coatings, polyurethane paint for railway coaches, etc. Backed with ingenious R&D expertise and international certifications, we have proved to be a dependable partner to our clients in Oil & Gas, Pipe Coatings, Power Projects, Sugar, Paper & Pulp Industries, Chemicals, Fertilizers, Agriculture, Packaging and OEMs.

BOARD OF DIRECTORS

Dr. Rajeev Uberoi
CHAIRMAN

Mr. Ashok Kumar Gupta
MANAGING DIRECTOR

Mr. Abhyuday Jindal
DIRECTOR

Mr. Souvik Pulakesh Sengupta
DIRECTOR

Mr. Vijay Kumar Sharma
DIRECTOR

Mr. Sanjiv Garg
DIRECTOR

Ms. Shan Jain
DIRECTOR

Mr. Atul Rasiklal Desai
DIRECTOR

Information as on August 11, 2023

CORPORATE INFORMATION

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

Corporate Office
1st Floor, Plot No. 28, Sector - 32, Gurugram,
Haryana - 122001

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

Statutory Auditors
Walker Chandiok & Co. LLP

Company Secretary & Compliance Officer
Ms. Shikha Rastogi

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

Corporate Identification Number
L24222HR1902PLC065611

Website
www.shalimarpaints.com

SHALIMAR PAINTS

SHALIMAR PAINTS LIMITED

CIN: L24222HR1902PLC065611

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

Corporate Office: 1st Floor, Plot No. 28, Sector - 32, Gurugram, Haryana - 122001

Website: www.shalimarpaints.com; **E-mail Id:** askus@shalimarpaints.com

Phone: 0124-4616600; **Fax:** 0124-4616659

Notice of the 121st Annual General Meeting

NOTICE is hereby given that the **121st Annual General Meeting** of the Members of **SHALIMAR PAINTS LIMITED** ("the Company") will be held on **Wednesday, September 27, 2023** at **12:30 P.M.** through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
   a) the audited standalone financial statements of the Company for the financial year ended on March 31, 2023 together with the Reports of the Board of Directors and the Auditors thereon; and
   b) the audited consolidated financial statements of the Company for the financial year ended on March 31, 2023 together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mr. Abhyuday Jindal (DIN: 07290474), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. **Appointment of Mr. Atul Rasiklal Desai (DIN: 01918187) as Non-Executive Independent Director of the Company**

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

   "**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Atul Rasiklal Desai (DIN: 01918187), who was appointed by the Board of Directors upon recommendation by the Nomination and Remuneration Committee of the Company as an Additional Director (in the category of Non-Executive Independent Director) of the Company with effect from June 28, 2023 pursuant to the provisions of Section 161 of the Act and the Articles of Association of the Company, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act, from a member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company, whose term shall not be liable to retire by rotation, to hold office for a term of three (3) consecutive years on the Board of the Company from June 28, 2023 to June 27, 2026.

   RESOLVED FURTHER THAT the Directors and the Company Secretary of the Company be and are hereby severally authorised to file all such necessary e-forms with the Registrar of Companies and to intimate any other authority, if required and to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be necessary or expedient to give effect to this resolution."

4. **Ratification of remuneration of Cost Auditors of the Company**

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Sanjay Gupta & Associates, Cost Accountants (Firm Registration No. 000212), who were appointed by the Board of Directors, upon the recommendation of the Audit Committee, as Cost Auditors, to audit the cost records of the Company for the financial year 2023-24, amounting to Rs. 2,00,000/- (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit, be and is hereby ratified.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things and to sign all such documents, papers and writings as may be deemed necessary, proper or expedient to give effect to this resolution."

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

Date: August 22, 2023
Place: Gurugram

Shikha Rastogi
Company Secretary
Membership No. A18226

Notes:

1. The Explanatory Statement pursuant to the provisions of Section 102 of the Companies Act, 2013 (the "Act") setting out all material facts concerning Special Businesses to be transacted at the Annual General Meeting ("AGM" / "Meeting") is annexed hereto and forms part of this Notice.
2. In accordance with the provisions of the Act read with the Rules made thereunder and General Circular No. 10/2022 dated December 28, 2022, other Circulars issued by the Ministry of Corporate Affairs ("MCA") from time to time, and Circular No. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023 issued by SEBI ("the Circular"), companies are allowed to hold AGM through video conference/other audio visual means ("VC/OAVM") upto September 30, 2023, without the physical presence of members. The 121st AGM of the Company is being conducted through VC/OAVM, without the physical presence of the members at a common venue. The detailed procedure for participating in the Meeting through VC/OAVM Facility is mentioned hereunder in this Notice. The deemed venue for the AGM shall be the Registered Office of the Company viz. Stainless Centre, 4th Floor, Plot No. 50, Sector-32, Gurugram, Haryana-122001.
3. Generally, a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. Since this AGM is being held through VC / OAVM pursuant to the MCA Circulars, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members under Section 105 of the Act will not be available for the AGM. However, in pursuance of Section 112 and 113 of the Act, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM on their behalf and participate thereat and cast their votes through remote e-voting.
4. Since the AGM will be held through VC / OAVM facility, the Proxy Form, Attendance Slip and Route Map are not annexed hereto.
5. The details of directors retiring by rotation / seeking appointment in the ensuing AGM as required pursuant to the provisions of SEBI Listing Regulations and Secretarial Standard on General Meetings ("Secretarial Standard - 2"), as applicable, are provided in the Annexure - I to the Explanatory Statement to the Notice.
6. **Dispatch of Notice of AGM and Annual Report through Electronic Mode:**
   i) Pursuant to the aforesaid MCA Circulars and SEBI Circulars, the Notice of AGM and the Annual Report for the financial year 2022-23 are being sent only through electronic mode to those Members whose email addresses are registered with the Company / Depositories. Therefore, Members, whose email address is not registered with the Company or with their respective Depository Participant(s), and who wish to receive the soft copy of Notice of the AGM and the Annual Report for the financial year 2022-23 and all other communications sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
      a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to Beetal Financial & Computer Services Private Limited, Company's RTA at beetal@beetalfinancial.com or at Company's email address: askus@shalimarpaints.com.
      b) For the Members holding shares in demat form, please update your email address with your respective Depository Participant(s) ("DPs").

   ii) Members may also note that the Notice of the 121st AGM and the Annual Report for the financial year 2022-23 will also be available on the Company's website viz. www.shalimarpaints.com and on the website of the Stock Exchanges where the equity shares of the Company are listed viz. National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE") at https://www.nseindia.com and https://www.bseindia.com, respectively.

   iii) The Notice of AGM will be sent to those Members / Beneficial Owners electronically, whose name will appear in the Register of Members / List of Beneficiaries received from the depositories as on Friday, September 01, 2023.

   iv) Any person who has acquired shares and become member of the Company after the dispatch of this Notice and holding shares as on the cut-off date i.e. Wednesday, September 20, 2023, may obtain electronic copy of Notice of AGM and the Annual Report by sending a request to the Company or Company's RTA i.e. Beetal Financial & Computer Services Private Limited ("RTA").
7. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive) for the purpose of AGM. The cut-off date to determine the eligibility for the purpose of voting through electronic means in the AGM is Wednesday, September 20, 2023.
8. Attendance of the Members of the Company, participating in the AGM through VC / OAVM Facility will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

9. Procedure for Voting through Electronic Means (Remote e-Voting):

i) Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the businesses to be transacted at the AGM and facility for those Members participating in the AGM to cast vote through e-Voting system during the AGM. Central Depository Services (India) Limited will be providing facility for voting through remote e-Voting, for participation in the AGM through VC/OAVM Facility and e-Voting during the AGM.

ii) The remote e-voting facility will be available during the following period:

a. Commencement of remote e-voting: From 09:00 a.m. (IST) on September 24, 2023 and end of remote e-voting: Up to 05:00 p.m. (IST) on September 26, 2023;

b. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled by CDSL upon expiry of aforesaid period.

INSTRUCTIONS FOR E-VOTING:

Pursuant to Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and as amended, the Company is pleased to provide remote e-voting facility to enable the Member to cast their votes electronically on the resolutions mentioned in the Notice of the AGM of the Company to be held on Wednesday, September 27, 2023. The Company has appointed Mr. Ankush Agarwal, Partner (COP No. 14486) or failing him Mr. Shailesh Kumar Singh, Partner (COP No. 16235), of M/s. MAKS & CO., Practicing Company Secretaries (FRN: P2018UP067700), as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner. The list of shareholders/ beneficial owners shall be reckoned on the equity shares as on September 01, 2023. The remote e-voting period will commence on September 24, 2023 at 09:00 a.m. (IST) and will end on September 26, 2023 at 05:00 p.m. (IST). During this period, shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2023, may cast their vote electronically. The remote e-voting module shall be disabled by Central Depository Services (India) Limited ("CDSL") for voting thereafter. Once the vote on a resolution is cast by a Member, whether partially or otherwise, it shall not be allowed to change subsequently. Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as "ABSTAINED". Shareholders who have already voted prior to the meeting date would not be entitled to vote during the meeting.

THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING AND JOINING VIRTUAL METTING ARE AS UNDER:

(i) The remote e-voting period begins on September 24, 2023 at 09:00 a.m. (IST) and ends on September 26, 2023 at 05:00 p.m. (IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 20, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

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

(iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020 and under Regulation 44 of the SEBI Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions.

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

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

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

(iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/NSDL is given below:

<table>
<tr><th>Type of Shareholders</th><th>Login Method</th></tr>
<tr><td>Individual Shareholders holding securities in Demat mode with CDSL Depository</td><td>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi.
2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/BEETAL Financial & Computer Services Pvt Ltd., so that the user can visit the e-Voting service providers' website directly.
3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/Easi Registration
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</td></tr>
<tr><td>Individual Shareholders holding securities in demat mode with NSDL Depository</td><td>1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL.
• Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile.
• Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section.
• A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services.
• Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page.
• Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
3. Visit the e-Voting website of NSDL.
• Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
• Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
• A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen.
• After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.
• Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</td></tr>
</table>

Type of Shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their **Depository Participants (DP)**	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. After Successful login, you will be able to see e-Voting option. 3. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. 4. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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

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

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with **CDSL**	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800 22 55 33
Individual Shareholders holding securities in Demat mode with **NSDL**	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Login method for shareholders holding shares in physical mode and non-individual shareholders in demat mode is given below:

(v) Login method for Remote e-Voting and joining virtual meeting for Physical shareholders and shareholders other than individual holding in Demat form:

1) The shareholders should log on to the e-voting website www.evotingindia.com.
2) Click on “Shareholders” module.
3) Now enter your User ID
   a. For CDSL: 16 digits beneficiary ID,
   b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
   c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
4) Next enter the Image Verification as displayed and Click on Login.
5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) · Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

(vi) After entering these details appropriately, click on “SUBMIT” tab.

(vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(ix) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvi) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

(xvii) Additional Facility for Non - Individual Shareholders and Custodians - For Remote e-Voting only.

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; askus@shalimarpaints.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

7. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
8. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

PROCESS FOR THOSE SHAREHOLDERS WHOSE E-MAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES:

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

   If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

   All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

10. Members may follow the same procedure for e-voting at the AGM as mentioned for remote e-voting. Only those Members who will be attending the AGM through VC / OAVM and have not cast their vote by remote e-voting, may exercise their voting rights at the AGM. Members who have already cast their vote by remote e-voting prior to the AGM may attend the AGM and their presence shall be counted for the purpose of quorum but shall not be entitled to cast their vote again at the AGM. A Member can vote either by remote e-voting or by e-voting at the AGM.
11. Members, who would like to express their views / ask questions during the Meeting, need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company at its email address: askus@shalimarpaints.com atleast 2 (two) days prior to AGM i.e. by September 24, 2023 by 05:00 p.m. IST.

    Only those Members who have registered themselves as a speaker will be allowed to express their views/ask questions during the Meeting. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM. The members who do not wish to speak during the AGM but have queries may send their queries mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company at its email address: askus@shalimarpaints.com. These queries will be replied to by the company suitably by email.
12. Members who wish to inspect the Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013, Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013, Certificate from Secretarial Auditor of the Company certifying that the ESOP Scheme of the Company has been implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and relevant documents referred to in this Notice of AGM and explanatory statement on the date of AGM in electronic mode can send an email to askus@shalimarpaints.com.
13. Equity Shares of the Company are under Compulsory Demat segment. Those members who have not yet got their Equity Shares dematerialised are requested to contact any of the Depository Participants ("DPs") in their vicinity for getting their shares dematerialised.
14. Further, SEBI has mandated that securities of listed companies can be transferred only in dematerialised form w.e.f. April 01, 2019. Accordingly, the Company / RTA has stopped accepting any fresh lodgement of transfer of shares in physical form. In view of the above and to avail various benefits of dematerialisation, members are advised to dematerialise shares held by them in physical form.
15. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic mode are, therefore, requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical mode can submit a self-attested copy of their PAN Card to the Company / RTA.

16. Members are requested to immediately notify to the Registrar any change in their address, in respect of equity shares held in physical mode and to their depository participants (DPs) in respect of equity shares held in dematerialised form.
17. Non-Resident Indian Members are requested to inform the Company's RTA immediately:
    a) the particulars of their Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank with pincode number, if not furnished earlier.
    b) any change in their residential status on return to India for permanent settlement.
18. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
19. Members should quote their Folio No. / DP Id-Client Id, email addresses, telephone / fax numbers to get a prompt reply to their communications.
20. The annual accounts and other related documents of the subsidiaries are available at the website of the Company and will be made available to any member of the Company who may be interested in obtaining the same. The consolidated financial statements of the Company include the financial results of all the subsidiary companies. The annual accounts of the subsidiary companies would be open and accessible for inspection by shareholder / investor at registered office of the Company and registered office of the subsidiary companies on any working day except holidays.
21. The voting rights of the members for remote e-voting and e-voting at the AGM shall be in proportion to the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date, being September 20, 2023. A person who is not a Member as on the cut-off date should treat this Notice for information purpose only.
22. The Notice of AGM along with the explanatory statement and other related documents are available at the website of the Company. The relevant documents w.r.t. the resolutions shall be open and accessible for inspection by shareholder / investor at the Corporate Office of the Company on any working day except holidays upto the date of the AGM and during the AGM.
23. As per provisions of the Companies Act, 2013 read with relevant rules thereof, facility for making nominations is available to individuals holding shares in the Company. Members holding shares in physical form may obtain Nomination Form No. SH-13 from the Company's RTA. Members holding shares in electronic form are required to approach their DPs for the nomination.
24. In case of joint holders attending the Meeting, only the Member whose name appears first will be entitled to vote.
25. The Board of Directors has appointed Mr. Ankush Agarwal, Partner (COP No. 14486) or failing him Mr. Shailesh Kumar Singh, Partner (COP No. 16235) of M/s. MAKS & CO., Practicing Company Secretaries (FRN : P2018UP067700), as the Scrutinizer to scrutinize the remote e-voting and e-voting during the AGM in a fair and transparent manner.
26. The Scrutinizer shall after the conclusion of voting at the general meeting, count the votes cast at the meeting through e-voting and votes cast through remote e-voting and shall make, within 2 working days from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, and shall submit the same to the Chairman or a person authorized by him in writing, who shall counter sign the same and declare the result of the voting forthwith.
27. The results declared along with the report of the scrutinizer shall be placed on the Company's website at www.shalimarpaints.com and on the website of RTA immediately after the declaration of the results and simultaneously communicated to the Stock Exchanges. Further, the results of the voting shall also be displayed on the notice board of the Company at its Registered Office.

EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013 and Secretarial Standard - 2 issued by The Institute of Company Secretaries of India)

The following Statement sets out all material facts relating to the businesses mentioned under Item Nos. 3 and 4 of the accompanying Notice dated August 22, 2023 and shall be taken as forming part of the Notice.

Item No. 3

The Board of Directors of the Company upon the recommendation of the Nomination and Remuneration Committee, at their meeting held on June 28, 2023, had appointed Mr. Atul Rasiklal Desai (DIN: 01918187) as an Additional Director (in the category of Non-Executive Independent Director) of the Company, not liable to retire by rotation, to hold office for a period of three (3) consecutive years from June 28, 2023 to June 27, 2026, subject to approval of members of the Company.

In the opinion of the Board, Mr. Atul Rasiklal Desai fulfils the conditions for appointment as an Independent Director of the Company as specified in the Companies Act, 2013 ("Act"), the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and is independent of the management of the Company. The Company has received a notice in writing from a member under Section 160 of the Act proposing his candidature for the office of director of the Company.

The Company has received from Mr. Atul Rasiklal Desai (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under sub section (2) of section 164 of the Act and (iii) declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and under SEBI Listing Regulations. In terms of Regulation 25(8) of the SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

The details of Mr. Atul Rasiklal Desai as required pursuant to Regulation 36 of the SEBI Listing Regulations and Secretarial Standard - 2, as applicable, are provided in Annexure - I appended to this Notice. This explanatory statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations and other applicable laws.

A copy of the letter of appointment of Atul Rasiklal Desai setting out the terms of conditions of appointment is available for inspection without any fees by the members at the Corporate Office of the Company during normal business hours on any working day except holidays upto the date of the AGM and during the AGM.

Save and except Mr. Atul Rasiklal Desai to whom the resolution relates and his relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding, in the resolution as set out at Item no. 3 of the Notice.

The Board considers that his association along with vast knowledge and experience would be of immense benefit to the Company and it will be desirable to avail his services as an Independent Director.

Accordingly, the Board of Directors recommends the resolution set out at Item No. 3 of the Notice for approval by the members by way of Special Resolution.

Item No. 4

Based on the recommendation of the Audit Committee, the Board of Directors of the Company, in its meeting held on August 11, 2023, had appointed M/s. Sanjay Gupta & Associates, Cost Accountants, as Cost Auditors of the Company, to conduct audit of cost records of the Company for the financial year 2023-24 and subject to ratification by the members, fixed their remuneration at Rs. 2,00,000/- (Rupees Two Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses at actuals, if any, incurred in connection with the audit.

In accordance with the provisions of Section 148(3) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to Cost Auditors shall be fixed by the Board of Directors of the Company on the recommendation of the Audit Committee and the same shall be subsequently ratified by the Members of the Company at their Meeting. Accordingly, consent of the Members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year 2023-24.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution as set out at Item no. 4 of the Notice.

The Board of Directors recommends the resolution as set out at Item No. 4 of the Notice for approval by the members by way of an Ordinary Resolution.

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

Date: August 22, 2023
Place: Gurugram

Shikha Rastogi
Company Secretary
Membership No. A18226

Annexure - I to the Explanatory Statement of the Notice

ADDITIONAL INFORMATION

Information as required in terms of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard - 2 issued by the Institute of Company Secretaries of India for Item Nos. 2 and 3

Details of Directors seeking appointment:

Name of Director	Mr. Abhyuday Jindal	Mr. Atul Rasiklal Desai
Director Identification Number (DIN)	07290474	01918187
Brief Resume	A Boston University graduate in Economics and Business Management, Mr. Abhyuday Jindal has wide ranging experience in the areas of project management, supply chain systems, and strategic & general management. He is also the Co-Chair for FICCI's Steel Committee, Vice President of the Indian Chamber of Commerce, and the Co-Chair, Advisory Council of the Corrosion Management Division of CII, endeavoring to forge stronger and wider public-private partnerships. Mr. Jindal started his career with the JSW Group. There, he played a prominent role in the stake acquisition of Ispat Industries and the post- acquisition integration of JSW and Ispat. He then moved on to the Boston Consulting Group, where he managed project consultancy for diverse industries, including cement, steel, wind turbines, and auto components. Having gained a deep understanding of the industrial manufacturing arena, Mr. Jindal entered the Jindal Stainless consortia. Driven by the ambition to go beyond the ordinary, Mr. Jindal took multiple strides in improving supply chain and operational efficiencies. Today, he is shaping Jindal Stainless into a far more dynamic, responsive, predictive, and solution-based organization. As a leader in the stainless steel landscape of the country, Mr. Jindal has explored and unlocked new avenues for providing stainless solutions to stakeholders with the vision to improve lives. Helmed by him, the organization has built market leadership, and made foray into new fields. It was under his stewardship that the Company bolstered its unique competitive advantage in the manufacturing of special stainless steel grades for nuclear and defence sectors. Under his leadership, not only the Company made a successful exit from CDR, but also established its place in the top ten stainless steel companies in the world. Strongly rooted in the Indian soil, Mr. Jindal's community centric transformational approach has led to the development and sustenance of several empowerment initiatives in and around its production facilities. He personifies open and participative management, a consistent culture of dialogue and feedback, and a relentless march towards continuous improvement.	Mr. Atul Rasiklal Desai is an experienced leader with 30+ years' experience in the Building Materials Industry. He has demonstrated strategic vision driving growth and excellence across all organizations. He is skilled in navigating market dynamics, leading teams, and adapting to industry complexities. Proficient in unlocking business potential and identifying strategic opportunities. A results-driven leader with strategic acumen, leadership prowess, and a talent for fostering collaboration. He has served as Executive Director and CEO with Prism Johnson Ltd. - RMC division and Director at Ardex Endura (JV between Ardex Germany and Prism Johnson Ltd.) and successfully led the company in delivering improved outcomes, solidifying its position in the RMC sector among world's leading companies. He has in-depth knowledge on Marketing, Brand building, Distribution and Logistics across all geographies in India owing to overall understanding of Cement Industry operations for nearly three decades. He has served as Whole Time Director for Reliance Cement, worked as COO with Star Cement, and Ambuja Cements Ltd. at various positions across India etc. He was recognized as a change maker in the RMC industry by Brand Vision for the years 2020 & 2022. He had received the Leader of the Year award in the RMC industry by CEO Magazine and honored with Excellence award for industrial development by the Indian Economic Development and Research Institute. Mr. Atul Rasiklal Desai holds a bachelor's in Engineering (Chemical) from Gujarat University and MBA (Marketing) from South Gujarat University. He also undergone Senior Executive program with London Business School and IMD Luccane-Switzerland.
Date of Birth (Age in years)	April 4, 1989 (34 Years)	September 28, 1961 (61 Years)

Name of Director	Mr. Abhyuday Jindal	Mr. Atul Rasiklal Desai
Qualification	Boston University graduate in Economics and Business Management	Bachelor's degree in Engineering (Chemical) from the Gujarat University and a Master's in Business Administration (Marketing) from South Gujarat University
Experience and expertise in specific functional area	Business Management	Management, Marketing, Brand Building, Distribution and Logistics, Market Dynamics
Terms and conditions of appointment	Re-appointment of Mr. Abhyuday Jindal, Non-Executive Non-Independent Director, as a Director liable to retire by rotation	Please refer to the resolution and explanatory statement mentioned at Item No. 3 of this Notice
Details of remuneration to be sought and remuneration last drawn (Financial Year 2022-23)	Nil	Except for sitting fees paid for attending the Board/Committee meeting(s), Mr. Atul Rasiklal Desai will not be paid any remuneration during his first term as Director.
Date on which first appointed on the Board	March 08, 2022	June 28, 2023 (appointed for the first term)
Details of shareholding in the Company as on June 30, 2023	Nil	Nil
Shareholding as a beneficial owner as on June 30, 2023	Nil	Nil
Relationship with other Directors/ Key Managerial Personnel ("KMP") (if any)	Mr. Abhyuday Jindal is not related to any Director or KMP of the Company.	Mr. Atul Rasiklal Desai is not related to any Director or KMP of the Company
Number of Board Meetings attended during the year 2022-23	1 (One)	Not Applicable
Details of Directorships / Committee Chairmanship and Memberships in other companies as on June 30, 2023	Directorship: 1. Jindal Stainless Limited ("JSL") 2. Jindal Defence Trading Private Limited Committee Chairmanship in JSL: • Risk Management Committee • Share Transfer Committee Committee Membership in JSL: • Stakeholders Relationship Committee	Directorship: 1. Kalarasik Enterprise Private Limited Committee Membership: • Nil
Name of the listed entities from which the director has resigned during the past three years	Jindal Stainless (Hisar) Limited (Amalgamated with Jindal Stainless Limited w.e.f. March 02, 2023)	Prism Johnson Ltd.
The skills and capabilities required for the role and the manner in which the proposed person meets such requirement	Not Applicable	The Nomination and Remuneration Committee ("NRC") of the Board of Directors has identified amongst others, exposure to leadership role(s) in large corporates, expertise in navigating market dynamics, leading teams, and adapting to industry complexities as the skills and capabilities for the role. Considering the educational background and experience across various functions in corporates, Mr. Atul Rasiklal Desai meets the requirements as laid down by the NRC.

Management Discussion and Analysis

Industry Structure & Developments

The Indian Paint and Coatings Sector had a turnaround in FY 2022-23 following a pause of two COVID-marred years. During the year under review, demand for paint & coating goods increased significantly as a result of the construction and automotive sectors' brisk growth. Going forward in next 5 years, Paints Industry is expected to grow from Rs. 70,000 Crore to Rs. 1 Lakh Crore industry, driven by India's expected GDP growth rate of 6-7% in medium term, which naturally creates a supportive environment for the industry growth.

Indian Paint industry consists mainly of Decorative Paints, Protective Coatings, Wood Coatings, Automotive Paints, Ancillaries, Waterproofing etc. with decorative market being the largest part accounting for over 70% of the market. Paint industry in India is largely dominated by organized players accounting for 65% of the market with mainly 4 large players and significant number of medium level players while the unorganized players accounting for the rest 35%. Slowly but steadily large players are increasing their market share and dominance in the market with unorganized players limited to niche markets.

The industry is divided into two categories - decorative and industrial. The Indian paint sector has grown extensively over the years wherein decorative segment has grown at 11.4% CAGR and industrial paint segment has grown at 7.9% CAGR over the last 12 years. Demand of Decorative Paints that hold 75% of the market is significant during the festive season that arises from household painting and other display purposes. Along with this, the popularity of quality paints and increasing income in tier-1 and tier-2 cities is adding in the growth of the premium market of decorative paint industry. The Indian paints industry by value and volume is expected to grow at a CAGR of around 10% in next few years.

The key growth drivers for paint industry in India, inter alia, includes rising urbanization, improved products, shortening of repainting cycle, decreasing propensity to save, affordable housing, growing middle-class with higher disposable incomes, nuclear family structure, growing demand from smaller towns & rural areas, increasing consumer involvement in the painting process, growing adoption of new styles/ designs/ textures and triggers like government focus on housing & infrastructure development.

Prior to the last financial year, the prices of key raw materials increased significantly due to supply side shortages globally. Further, the cost of solvent based raw materials increased sharply due to rising oil prices. Thus, the solvent based products have faced significant viability problems. As a result, profitability of all the players has been affected significantly in FY 2021-22. The year 2022-23, however, brought in a silver lining with the prices softening up and marketing finally coming back to life post the COVID era.

About Shalimar Paints

Established in 1902, it can be said that the history of Shalimar Paints is closely linked to the development of Paints industry in India. The Company is engaged in manufacturing and marketing of decorative paints and industrial coatings. The Decorative business covers both Interior and Exterior paints where it has a number of flagship brands. The Company also has tinting systems under the brand "Color Space" where it offers more than 12,000 shades across all product lines to its customers.

Some of India's iconic buildings and structures have been painted with Shalimar Paints. Further, Shalimar Paints also prides itself in partnering to paint world's longest span steel and concrete arch bridge - Chenab Bridge. The Company currently has three manufacturing facilities, one each at Chennai, Nashik and Sikandrabad (Uttar Pradesh). Howrah unit's operations remains suspended after fire broke out in 2014.

With the increasing demand for Shalimar's products, the Company has planned to double its production capacities in one year time. The Company has increased its distribution reach from 32 sales depots in FY 21-22 to around 38 in FY 22-23 and will be further expanding the same in the current FY. On the back of such promising growth numbers complemented by a significant production boost, the brand is well on its way to pick up the growth trajectory soon. Apart from India, Shalimar also catered to consumers from Nepal, UAE, Bhutan and Seychelles.

Performance

The year 2022-23 started on a positive note with the world and India finally getting away from the pandemic era. The news was good for your Company too as this was the first time in a decade that we were able to breach the 500 Crore mark in revenue on gross basis, registering a growth of 36% and gaining market share both in decorative and industrial space.

In FY 2022-23, at Shalimar Paints, we prepared & lubricated our internal and external facing functions and processes to ensure readiness with respect to catering of customers demand in most efficient and timely manner. In Q1, Shalimar registered a healthy growth rate, higher than the industry growth rate. However, Q2 and Q3 were impacted due to extended monsoon and early Diwali, though demand picked up again from November onwards which continued till the end of financial year.

At overall level, Shalimar's revenue grew by ~36% with both decorative and industrial combined. Individually, decorative and industrial segments grew by ~36% each. Your Company registered highest growth% in paints industry and, it was among the 3 companies who gained market share in FY23.

Looking into the interest of channel partners, our first gateway to serving your needs, we have also introduced an annual Lakshya Scheme, our exclusive privilege rewards program to help them service your needs. The program also saw significant success with about 65% of our total revenue coming through this program.

Your Company is also investing very heavily in R&D initiatives and is all set to inaugurate a world class R&D center in Nashik in FY 2023-24. The work on the same started in the current FY along with the vision to be among the top 5 companies in India amongst the paint sphere. In the last two financial years, we have invested heavily in this and as a result, your Company has been able to launch around 11 new products. Revenue from new products launched in the previous FY was about 20% of total sales which depicts our deep understanding of the consumer requirements.

To minimize the impact of cost escalation, the Company has taken number of steps. The Company has started to source raw materials based on reverse auction principle. In addition, Company has also started direct import of certain raw materials. In addition, R&D is working on change in formulation to reduce costs. The Company is also trying to control its fixed costs as well as interest costs so that benefit of increased revenue can be reflected in bottom line.

The Company is primarily engaged in industrial and decorative segments with decorative segment contributing almost 65% of the revenue. Within decorative segment, water based paints contribute about 59% of the sales which has shown a good growth over last one year. Your Company is taking steps to increase water based proportion to about 65% in next one year, which should help in improving margins & financials of the Company.

Outlook

The paint industry like many others in the economy, globally, is likely to witness a period of consistent growth for next 5/6 years. There are lot of apprehensions of likely recession for next two or three years. USA is already in recession, technically. UK may be following suit. Indian economy though seems to pegged to grow around 6-6.5%. Going forward, India is expected to become the third largest economy in the world by 2027 and that would definitely be on the shoulders of some extraordinary developments in the field of infrastructure and which definitely would bring in good news for the building materials segment and paint in particular.

We at Shalimar Paints are preparing and doing the ground for the potentially golden period ahead. Plant capacities will be expanded. The facilities will also be modernized and upgraded to meet the increasing demand. The purchase and sales systems are being upgraded and automated to reflect the latest trends. New products are being developed for decorative segments to account for the changing tastes.

The year 2022-23 also saw us foraying into the waterproofing segment with the introduction of Zero Damp, our fiber reinforced product for both horizontal roofs and vertical walls. Looking into the interests of our consumers we also came up with a value for money primer - Super. We are thankful that both of these products were widely accepted in the market by both consumers and channel partners.

Opportunities and Threats

Opportunities:

Paint Industry in India is driven by growth not only in construction activities but also in industrial development. Media exposure and innovative marketing initiatives by the players have also added impetus to increasing awareness about latest trends prevalent in the sector. Due to increased Government funding for infrastructure, paint industry is poised for growth.

A further analysis of key drivers and challenges of the market indicate the factors for growth of the market including boom in real estate construction, growth in industrial sector, increase in disposable income and increased government expenditure on infrastructure. Rising urbanization, supported by real estate demand and improving infrastructure, has been boosting paint demand over the past few years.

Easy availability of housing loans has contributed to increase in number of houses which has directly added to increased demand for paints industry. Also, finance is now more easily available for renovation and repair of houses than before. This in turn, helps to shorten repair cycle.

Your Company is poised to grow in the Decorative as well as Industrial segment. The Company is in the process of reinforcing its current production facilities and is simultaneously expanding its manufacturing base to new geographical locations. Many new products are ready for launch in the coming months.

New entry of modern retail and E-comm players in the category like Hippo Stores, Infra.market stores, YouKraft.com, painting service partners like Aap ka Painter, Urban Company and many more have opened up new channels of selling paint products and engage new influencers. New Age interior designers and architects and the emerging demand for hiring these professionals also brings a new opportunity to connect with them and promote our products.

Threats:

The Cost of Raw materials is an important factor as the industry is raw material intensive. However, the rising raw material cost is still the biggest challenge. As oil prices have witnessed a sharp rise in the past two years, inflationary cost pressures will continue to weigh on margins. Also, a large portion of raw materials are imported, leaving the cost factor vulnerable to exchange rate fluctuation.

The entry of new players in the Indian market may increase the competition among the players of the industry. This may lead to price competition which may impact the profit margin of the companies. As a result, the increase in volume growth may not equally reflect in the profit growth for the companies.

Another threat to this industry is that the competition does not lie just within the paint industry. Any brand, be it into decoration or furniture, in which a consumer is ready to spend money to decorate his home is our competitor.

Risk and Concerns

The evolving nature of the Covid-19 pandemic makes near term predictability a challenge. Though recent stability in the economy is proving beneficial to industry. However, any revival of Covid-19 may prove challenging.

Considering the huge uncertainties prevailing in the market due to war in Europe, the major economies of the world are passing through difficult times.

Paint consumption is positively co-related to GDP growth and therefore a slowdown in GDP would affect the industry directly. Also, paint being a discretionary spend item, there is a likelihood of customers putting their paint requirements on hold for some time, thereby impacting renovation demand.

One of the key challenges for the paint sector is price fluctuation. Since most raw materials used in the production of paint products are petroleum-based, the fluctuation in crude oil prices creates a direct impact on the final paint product that goes to the end consumer.

The vagaries of the monsoon: extended monsoon in some regions and deficit rainfall in others affect demand from the rural sector, as an extended monsoon can reduce the number of dry days before the festive season and deficit rainfall affects income.

The cyclical nature of the decorative paints segment is the biggest loss factor that affects its sales. The demand for this segment is high only during festive seasons when people invest in whitewashing and painting their homes and then go down as they redo it after a long gap of at least 3-5 years.

Import policies also play a key role in deciding the price points as most raw materials are imported from foreign countries. Any change in the tax regime can significantly escalate the painting price.

Another challenge faced by the industry is the new regulation by way of extended producer liability on usage of plastic products. The new regulation mandates that gradually the industry will have to graduate to complete utilisation of plastic waste used as containers/ packing materials to ensure that no waste goes in the environment. This is a big challenge particularly since current technologies are not developed to ensure the same. Shalimar Paints like its peers will have to face this challenge.

Slowdown in infrastructure and construction activities would affect overall demand for paint companies. Delay in the revival of the auto industry would continue to pose a threat to the growth of industrial paints demand. In the post-COVID era, however, the challenges will change drastically.

Information Technology

At Shalimar Paints, Information Technology ("IT") drives innovation and adoption to bring a competitive edge to the business. IT has been automating sales, manufacturing, planning, distribution, finance & HR processes. IT at Shalimar is working towards bringing "Business Transformation through Digital Transformation."

IT Department is working collaboratively with different Departments to enhance productivity and address business problems. During the year under review, Sales Force Automation was implemented which measures different KPI against the targets. Different KPI can be chosen as focused KPI in a particular period. It has geo tracking and fencing, it is tightly integrated with SAP which gives real time data visibility to sales force on ground. Interaction with customers can be recorded which makes visit more fruitful. Order creation and processing is linked with App. Sales Force can plan their journey in advance and can track progress and outcomes. Visibility of stock, customer outstanding etc. are helping to serve customer in a more planned way.

Different backend process automation and refinement like Secondary Freight Automation is in process of implementation which will provide the visibility of delivery, Timely POD, mismatch reporting, reconciliation of vendor bills, load planning and vehicle tracking. Automation of procurement process from PR- RFQ-Contract to PO has streamlined the process. Vendor Discounting on Payment has helped to optimize the working capital and Fund Flow. To increase the agility in the system, Mobile based Workflow approval App is in place now.

Timely and accurate availability of data with analytics which calls for actionable is a key factor in decision making. BI was introduced to empower the users and have data driven decisions. Different dashboards, automated reports, reminders are setup in system for Finance, Supply Chain, Sales, Inventory, Production which have direct impact on Top line and Bottom Line.

The Company offers different schemes to customers as per the sales strategy and Product Mix. These schemes are very dynamic. Scheme processing system is in place which is giving real time visibility of Scheme and its impact. This is helping to launch impactful schemes with analysis of objective met. Initiatives are taken in different domains like Batch Management of inventory, Vendor Balance confirmation, Customer Balance confirmation.

Our IT Infrastructure has also improved. We have upgraded our network, moved to cloud as strategy, redefined our IT Policies and implemented the same. We have upgraded the Desktop and Laptops of almost all the employees.

This financial year we are working on upgrade of SAP system to S4 HANA, System driven planning and Journey Plan with Route Optimization, empowerment of our Sales Force with System driven nudges which will help in conversion ratio, implementation of AI chatbot for internal and external users to automate process which require minimum human intervention, implementation of R&D Software for visibility and shortening the product development cycle.

Supply Chain

In the competitive world where organizations face tremendous pressure to cut costs, the supply chain plays a pivotal role. At Shalimar, the supply chain not only strives to fulfil customer demands but also builds trust among customers.

Aligned with the above commitment, this year we are opening 15 new warehouses to improve serviceability and speed in deliveries, as well as increasing warehouse storage capacity to build up sufficient stocks. We are also introducing a transport management system (TMS) to streamline secondary transportation and facilitate faster order execution. Additionally, we are creating a large database to derive actionable insights from the data. With improved demand forecasting and production planning, our aim is to respond quickly to any sales requirements.

We are conducting performance analysis, identifying bottlenecks, and implementing process optimization initiatives to improve the overall efficiency of our warehouses. Through the optimization of demand forecasting, supplier management, logistics, and collaboration, the supply chain department aims to reduce the cost of logistics by 12%.

HR Initiatives

A business is only as successful as its employees, and that goes for any industry. Whether you are a leader in an office, a retail store or an online business, the rules of leadership apply. Even the most amazing employees need direction and encouragement to succeed. Guidance is paramount to maintaining a positive atmosphere at work, which, in turn, will boost productivity. To promote a positive workplace in which employees go above and beyond to achieve organizational goals, we need to lead by example and take advantage of everyone's strengths. In order to achieve the same, during the financial year 2022-23, various initiatives were taken by the Company under multiple HR domains:

Attracting Talent: Your Company hired 100+ new employees across functions including the Leadership team and next line to the Leadership team. With this, we have a strong team at the senior level who can guide and coach the team below to drive growth for the Company. Besides new hiring, we have also done a significant number of replacement hiring particularly in Sales team.

Your Company has started using Social media platform like Linkedin for job postings as well as an opportunity for posting major events and activities within the Company to help us in attracting talent. With this, we have seen a significant increase in the number of subscriber base for our Company's Linkedin. We have created some success in converting this to our hiring needs. This activity has helped us to give a message to the market about Shalimar 2.0 and the way we are transforming the Company in a better way.

In order to create a future bench for R&D and Manufacturing, the Company has successfully recruited 11 GETs via campus hiring from HBTI Kanpur, who would be joining the Company in FY 2023-24.

Early in the year, considering the importance of generating the secondary sales for the Decorative business and hence to support our business, the Company hired about 50 Business Development officers, whose primary task is to generate leads from the Painter, Contractor and Architect base and convert them into our painter programs. Seeing the success in Decorative Business, we have started this for our Industrial business as well.

For reducing our dependency on Contractual labours in our plant locations, we have started with the program of hiring ITI and Diploma engineering graduates who can give us better productivity and a better stability. We have seen good success of this program in our Sikandrabad plant.

Employee Engagement and Retention:

Reward and Recognition: As rewarding and recognizing employees leads to greater employee engagement, increased retention, increased productivity, increased peer competition and helps to create a positive overall workplace. In line with this philosophy, Company has taken initiative of recognizing and rewarding exceptional performers from sales team every month based on their monthly performance by introducing Shalimar Premier League. An Annual Virtual All Hands meet was organized in the first quarter to reward exceptional performance for the year across all functions. Further, Kaizen and Manufacturing Excellence Awards are being given to the plant team on a monthly basis.

Employee Stock Option Plan (ESOP): Your Company has launched ESOP for its employees to make them partner with Company's growth and get a share of return. This is a 4-year scheme with 25% vesting happening at the end of every year from the grant date.

Coffee with HR: A monthly engagement program has been started in plants which is "Coffee with HR". Some benefits are:

1. Improved communication: Coffee with HR provides a casual sitting for employees to ask questions and share their thoughts with HR representatives. This helps HR to better understand employee needs and concerns, and fosters a culture of open communication.
2. Increased engagement: Employee engagement is critical for retention and productivity. By providing opportunities for employees to interact with HR, companies can improve engagement and create a more positive work environment.
3. Better understanding of policies and procedures: Through Coffee with HR, employees have been able to gain a better understanding of HR policies and procedures, which helps them make more informed decisions and avoid misunderstandings in the future.
4. Enhanced company culture: A company that values employee input and feedback is more likely to foster a positive culture than a company that does not. Coffee with HR has helped to create a culture that encourages collaboration and transparency and building trust between employees and management.

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

Flexi Benefit Plan (FBP): Flexi Benefit Plan was launched for all employees this year thus allowing them to choose for flexible basket of options to help in saving taxes. Employees can now restructure their special allowance and get tax benefits.

Product Discount Policy: Being a Paint company, it was our aim through this policy to provide paint to our employees at discounted price.

Travel Portal: To make travel bookings more convenient, we introduced MakemyTrip online portal for our employees where the employees can do a self booking which gets debited from the Company's wallet. This has helped in saving booking time and also helped in saving cost.

Rewarding SIP programs: Sales Incentive Programs for the year were designed to boost growth as well as to reward the Sales team for their effort and results. This year the SIP earnings have been one of the highest.

Quarterly PLVP (Performance Linked Variable Pay): PLVP which was an annual variable pay program for Non sales team was made a quarterly payout this year so that there is an immediate performance feedback and an immediate pay for performance.

Employee Engagement Survey: An employee engagement survey was conducted during the year in Q4 to assess the levels of engagement for our employees. This survey was facilitated internally and the questionnaire was designed to cover all the indicators of Engagement. The survey gave us an all India score of 95% which means that 95% of our employees are engaged with the Company.

Developing Talent: In terms of development and to support the business growth, various inhouse and external training programs related to Company's products, technical skills, selling skills, negotiation skills, MDP/ Leadership (IIM Lucknow for few leaders) etc. were organized by the Company. Besides these interventions, regular Induction/ Orientation programs for new joiners are being organized to bring them upto speed and to familiarize with company policies/ practices and culture.

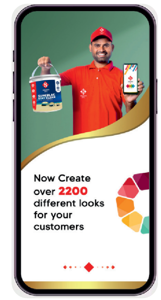
HR Automation: The Company is working on an end-to-end HRMS tool which would help us digitize entire employee life cycle be it recruitment, performance management, travel and expense management, leave and attendance management, employee engagement etc.

Culture of Safety: Safety of our employees at plant is of utmost importance for us. Hence, the Company organized a campaign called "SADAK SURAKSHA JEEVAN RAKSHA" at our Chennai plant from 7th Feb to 14th Feb, 2023. In relation to prevention of illness, free Annual Health Check Camps were organized across Chennai, Nashik and Sikandrabad Plants.

RACE Program: "RACE" is the campaign in Plants, which stands for - Reduction in plastic usage, Awareness among masses, Circular solution to disposal and Engagement of one and all. In a bid to phase out single-use plastic items by 2023, Centre has announced that India will ban the manufacture, import, stocking, distribution, sale, and use of identified single-use plastic items with low utility and high littering potential. All Plants of the Company had organised Rally program in all Industrial/nearby area with taking Pledge and sharing ideas for alternate of single use Plastic items in our life.

Marketing

Marketing holds a crucial significance in educating consumer and driving customer awareness and interest for a consumer facing company like Shalimar Paints. To achieve this, the Company has adopted a tiered network strategy that focuses on engaging with influencers on regular basis. Shalimar has become more "painter-centric" with the Shalimar Paints EXPERT painter program, where painters earn loyalty points on purchasing Shalimar paint products from its authorized dealers.



The loyalty program is best in the category offering top class monetary and non-monetary benefits to the registered painting contractors. Painters are getting benefits out of this program as they have redeemed Mobiles, TV, Gold and Silver Vouchers, Amazon Cashback Vouchers, and even automobiles from their accumulated points. The painter base has surged with 30,000 new painters registering in the program last year, crossing an impressive 90,000+, highlighting their trust in the brand and in its products. Not only new painters had joined, but the program saw a 25% growth highlighting the loyalty of painters towards the brand.

We are committed to further nurturing these invaluable relationships and are proud to announce our strategic digital partnership with PayTm to enhance the Loyalty program mobile application that now offers direct bank transfers (DBTs) for accessing cashback rewards instantly. It also supports more than 11 Indian regional languages for greater inclusivity.

We are also conducting on-ground touch base events with the painters via pre-planned Painter Meets, that is done with strategically important dealers across regions.

To further strengthen our bond with the painters and drive awareness about our products and the loyalty program, from this year onwards we started conducting "NAKKA meets" across the country. NAKKA meets are conducted at various labour and painter chowks in the city early in the morning, where painters come to find work on daily basis. This is another grassroot marketing initiative that activates the consumers right where they are. Over 250+ NAKKA meets are done every month across India with the help of our network of field sales staff and Business Development officers.

We also partnered with Aap Ka Painter.com to increase brand visibility amongst premium consumers across key metro cities and multiple houses have been painted using Shalimar paints premium emulsions under this collaboration.

In the digital world, we have planned multiple digital initiatives to transform the brand to a digital first and initial steps towards that includes the digital revamp of the painter loyalty application. In addition to that, we have invested in an AR Driven color visualizer mobile application that is set to launch in August 2023 and will revolutionize the consumer experience with augmented reality capabilities, allowing consumers to not only preview their homes with colors but also add furniture and interiors elements to re-imagine their spaces with a 360 degree AR experience.

Leveraging the power of social media, separate social handles for Shalimar Brand and Shalimar Expert Painter program have been initiated and we shall start engaging with our audiences digitally.

Shalimar Paints new products launched in FY 2022-23:

1. Zero Damp - Monsoon Shield for Your Home: A 2017 study by the National Building Research Institute (NBRI) found that over 50% of homes in India suffer from dampness. Considering this opportunity, we ventured into the waterproofing category and launched HOME PROTECT range of waterproofing products. First product launched under HOME PROTECT range is Zero Damp, an 8-in-1 waterproofing solution that offers waterproofing, crack-healing, anti-fungal and anti-algal properties, solving monsoon-related seepage issues and ensures happy and healthy interiors and exteriors. Available in four pack sizes with an 8-year warranty. The product contributed 1.5% of additional revenue contribution to our business.

2. Super WTCP - Primer for Interior Brilliance: Specifically designed for interior surfaces, Super WTCP is an acrylic emulsion-based primer that dries quickly, recoats fast, and delivers a smooth finish. Perfect for tier 2 customers seeking quality and value for money product, this primer solves the problem of achieving flawless results on various interior surfaces, making painting projects hassle-free. SUPER water thinnable cement primer contributed 1% of additional revenue contribution to our business.

Internal Control Systems

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

Financial Performance

Your Company during the year under review has suffered a loss of Rs. 3,610.50 lakh as against loss of Rs. 5,996.95 lakh in the previous year, on standalone basis. The revenue from operations of the Company for the financial year 2022-23 stood at Rs 48,555 lakh as against Rs. 35,819.33 lakh in the previous year.

While revenues of the company have grown by about 36%, mainly due to healthy change in the mix of water based products and in specific emulsion portfolio, the profitability has improved further mainly due to global reduction in the raw material prices. The gross margin of the Company has improved from 26% to 28%. Also, there is a major reduction in finance cost due to repayment of loans during the year.

(Rs. in Lakh)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	FY 2022-23	FY 2021-22
Revenue from Operations	48,555	35,819	48,555	35,819
Other Income	721	493	721	454
Profit/(Loss) before Finance Cost	(2,020)	(3,085)	(2,025)	(3,125)
Finance Cost	1,590	2,230	1,590	2,228
Profit/(Loss) before Tax	(3,610)	(5,315)	(3,615)	(5,353)
Exceptional Items	-	(741)	-	(741)
Tax	-	(59)	-	(59)
Profit/(Loss) after Tax	(3,610)	(5,997)	(3,615)	(6,035)

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

Particulars	As at 31-03-2023	As at 31-03-2022	Reasons of Variance
Debtors Turnover Ratio (in times)	5.22	4.53	Improvement in DSO through regular monitoring resulted in improved debtors turnover ratio.
Inventory Turnover Ratio (in times)	3.41	2.92	Monitoring and controlling of inventory resulted in higher inventory turnover ratio.
Interest Coverage Ratio	-0.47	-0.78	Improvement in margins primarily on account of lower input cost and reduction in finance cost due to repayment of loans has mainly lead to improvement in interest coverage ratio.
Current Ratio (in times)	1.40	1.79	Decrease in the current ratio is mainly due to increase in the current borrowings mainly on account of regrouping of optionally convertible debentures from non-current to current.
Debt Equity Ratio (in times)	0.41	0.49	Decrease in the Debt Equity Ratio is mainly due to repayment of borrowings during the year.
Debt Service Coverage Ratio (DSCR) (in times)	-0.47	-0.61	Principal payments of loan and interest burden have been on the higher side leading to lower DSCR.
Operating Profit Margin (%)	-7%	-15%	Reduction in losses mainly due to improvement in margins and lower finance cost and improvement in topline has resulted in the improvement in operating profit margin.
Net Profit Margin (%)	-7.4%	-16.7%	Improvement in margins primarily on account of lower input cost and reduction in finance cost due to repayment of loans have lead to improvement in net profit ratio.
Return on Net Worth (%)	-5.3%	-9.7%	Reduction in losses during the year have resulted in the improvement in return on capital employed.
Earnings per Share (EPS) (Rs.)	-5.00	-10.69	EPS has improved due to reduction in losses.

Forward-Looking Statement

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

SHALIMAR PAINTS

Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 121st Annual Report on the business and operations of your Company along with the Audited Standalone and Consolidated Financial Statements and the Auditors' Report thereon for the financial year ended March 31, 2023.

Financial Results

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

(Rs. in Crore)

Particulars	Standalone		Consolidated	
	FY 2022-23	FY 2021-22	**FY 2022-23**	FY 2021-22
Revenue from Operations	**485.55**	358.19	**485.55**	358.19
Other Income	**7.21**	4.93	**7.21**	4.54
Total Income	**492.76**	363.12	**492.76**	362.73
Total expenses	**528.86**	416.27	**528.91**	416.26
Profit/(Loss) before Depreciation, Finance Costs, Exceptional items and Tax	**(7.52)**	(17.47)	**(7.54)**	(17.85)
Profit/(Loss) before Exceptional items and Tax	**(36.10)**	(53.15)	**(36.15)**	(53.53)
Exceptional items	**-**	(7.41)	**-**	(7.41)
Profit/(Loss) before Tax	**(36.10)**	(60.56)	**(36.15)**	(60.94)
Profit/(Loss) after Tax	**(36.10)**	(59.97)	**(36.15)**	(60.35)
Other Comprehensive Income/(Loss)	**0.45**	(1.83)	**0.45**	(1.83)
Total Comprehensive Income/(Loss)	**(35.65)**	(61.80)	**(35.70)**	(62.18)

Results of our operations and state of affairs for financial year 2022-23

During the financial year 2022-23, your Company's revenue from operations stood at Rs. 485.55 Crores as against Rs. 358.19 Crores in the previous year, recording a growth of about 35.56% over last year. On standalone basis, the Company has registered negative EBITDA of Rs. 7.52 Crores during financial year 2022-23 as compared to negative EBITDA of Rs. 17.47 Crores during previous financial year. During the year under review, your Company has suffered a loss of Rs. 36.10 Crores as against loss of Rs. 60.56 Crores in the previous year, on standalone basis.

Decorative Paints Segment - Decorative Paints primarily caters to architectural needs of the industry catering to residential, commercial and institutional constructions, combining both repainting and renovation projects. It accounts for about 70% of Paints Industry. Your Company manufactures and markets wide range of decorative paints for interior and exterior surfaces - concrete, plasters, metals etc.

During the financial year 2022-23, your Company ventured into waterproofing with launch of Zero Damp brand of products which is a state of art fibre reinforced product with a worry free 8 years of warranty. During the year under review, Shalimar Paints decorative segment grew by ~36%. Your Company achieved this growth by focusing on fundamentals of the business like increasing our channel base by ~1500 new customers which contributed to 13% of overall revenue. We engaged closely with inactive dealers and revived 400+ customers. We reached out and partnered with influencers – enrolled ~22K new painters. Our emulsion mix increased by 5% which helped increase our margins as well.

Industrial Paints Segment - Industrial Paints accounts for the remaining 30% of Paints Industry – usage spanning many different industries, such as manufacturing, automotive, aerospace, building, marine, oil & gas and more. Applications include structural steel protection, machinery, equipment coating and more.

Over the years, Shalimar Paints' Industrial Division has demonstrated consistent growth and expansion, owing to its dedication to quality, innovation and customer-centric approach. The division's ability to adapt to changing industrial trends, technological advancements, and regulatory requirements has played a pivotal role in its success. During the financial year 2022-23, Shalimar Paints Industrial segment grew by ~36% driven by tailor-made solutions that cater to specific needs of the customers, reinforcing Shalimar Paints' position as a reliable partner in the industrial coatings landscape. Our focus on right product mix not only boosted our revenue but our margins as well. Few verticals like pipeline and OEM have registered an exponential growth.

Your Company bagged some of the prestigious projects during the last financial year. Shalimar Paints was the single supplier for Sea water intake pipeline and associated structures for NPCIL Kudankulam. Your Company was also able to bag maximum jobs executed through various contractors for Adani Kutch Copper Ltd. expansion project, L&T Offshore ONGC Platform maintenance job where high end Glass Flake epoxy were supplied and through various contractors for supplies to Karnataka State Government Irrigation Projects for drinking water pipeline coatings. The various jobs were executed under the watchful eyes of NACE certified technical services team so that each job is done to perfection. Going forward into the new year, your Company's Industrial Paints Segment is poised to outgrow market trends and become one amongst the top 4 contenders in protective coating space.

The detailed information on the business operations of the Company and other relevant information is given in the Management Discussion and Analysis Report forming part of the Annual Report.

Nature of Business

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

Certifications

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

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

Credit Ratings

The Company has been accorded credit rating of 'CARE BBB-, Stable' for long term bank facilities and 'CARE A3' for short term bank facilities by CARE Ratings Limited on June 03, 2022, which was reaffirmed on March 03, 2023.

Dividend and Transfer to Reserves

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

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

Share Capital

During the year under review, the issued, subscribed and paid up Share Capital of the Company as on March 31, 2023, remains unchanged at Rs.14.44 crores divided into 7,22,16,926 equity shares of face value Rs. 2/- each.

Further, the Company has not issued any equity shares with differential rights / sweat equity shares under Rule 4 & Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014, during the year under review.

Significant Events during the year under review / current year

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

- **Issue of Warrants:**

  During the year under review, the Company has issued and allotted 1,14,94,252 warrants, each carrying a right to subscribe to 1 fully paid up equity share of the Company having a face value of Rs. 2/-, at a price of Rs. 130.50 to Virtuous Tradecorp Private Limited, a Promoter Group entity, JSL Limited, a Promoter Group entity and Hella Infra Market Private Limited, not belonging to the promoter or promoter group of the Company.

  As per the terms of issue of aforesaid Warrants, the Company has received 25% of the issue price at the time of allotment i.e. Rs. 37.50 Crores and balance 75% of the issue price will be received upon exercising the option of conversion of Warrants into equity shares, which is due on or before 18 months from the date of allotment of aforesaid Warrants. Each warrant is convertible into one equity share at the option of the warrant holders.

  The funds so raised by the Company through issue of aforesaid Warrants have not been utilised till date.

Employees Stock Option Scheme

During the year under review, no shares have been offered by the Company pursuant to Employee Stock Option Scheme, 2013 i.e. 'ESOP 2013' of the Company. A report as required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations") and as per the provisions of section 62(1)(b) of the Companies Act, 2013 ("the Act") read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 and other applicable Regulations is annexed as **Annexure - I** to this Report.

Further, during the year under review, with a view to motivate the employees seeking their contribution to the corporate growth, to create a sense of ownership and participation amongst them, to attract new talents and to retain them for ensuring sustained growth, a new Employees Stock Option Scheme i.e. "Shalimar Paints Limited Employees Stock Option Scheme - 2022" ("SPL ESOP 2022") was implemented for which approval of shareholders of the Company was received on September 29, 2022.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the SEBI (SBEB & SE) Regulations.

Subsequent to the year under review, under SPL ESOP 2022, the Nomination and Remuneration Committee of the Company has granted 19,66,566 (Nineteen Lacs Sixty Six Thousand Five Hundred Sixty Six) Stock Options to the eligible employees of the Company till the date of this Report.

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

Certificate from the Secretarial Auditors of the Company confirming that Schemes have been implemented in accordance with the SEBI (SBEB & SE) Regulations will be available for inspection by the members in the forthcoming Annual General Meeting of the Company.

Transfer to Investor Education and Protection Fund

During the year under review, no amount was required to be transferred by the Company to the Investor Education and Protection Fund.

Significant and material orders impacting the going concern status and Company's operations in future

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

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

Subsidiaries

As on March 31, 2023, Your Company had two subsidiaries, viz. Shalimar Adhunik Nirman Limited ("SANL") and Eastern Speciality Paints & Coatings Private Limited ("ESPCPL"). None of the Companies has become or ceased to be the Company's subsidiaries, during the year under review. The Company does not have any associate and/or joint venture company.

The Company has formulated a Policy for determining material subsidiaries which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/SPL_Material_Subsidiaries.pdf. As on March 31, 2023, the Company does not have any material subsidiary as per the provisions of Regulation 16 of the SEBI Listing Regulations.

Financial Details of Subsidiaries

A separate statement containing the salient features of financial statements of the Company's Subsidiaries in the prescribed Form AOC-1, annexed as **Annexure - II**, forms part of the Annual Report and hence not repeated here for the sake of brevity. This statement also provides details of performance and financial position of each of the Subsidiaries.

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

Consolidated Financial Statements

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

Indian Accounting Standards, 2015

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

Directors and Key Managerial Personnel

i. Cessation of Directors: During the year under review, Mr. Ashok Kumar Agarwal (DIN: 08154563) and Ms. Shruti Srivastava (DIN: 08697973), Non-Executive Independent Directors, have ceased to be directors of the Company w.e.f. August 11, 2022 and February 19, 2023, respectively.

   Further, during the current year, Mr. Alok Perti (DIN: 00475747) has ceased to be the Non-Executive Independent Director of the Company w.e.f. June 29, 2023 pursuant to completion of his second consecutive term as Non-Executive Independent Director of the Company on June 29, 2023.

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

ii. Appointment of Non-Executive Independent Directors: During the year under review, the appointments of Mr. Sanjiv Garg (DIN: 00428757) and Ms. Shan Jain (DIN: 09661574), who were appointed as Non-Executive Independent Directors by the Board of Directors, based on recommendation of Nomination and Remuneration Committee ("NRC"), w.e.f. August 10, 2022 and February 13, 2023 respectively, were approved by the shareholders at the Annual General Meeting held on September 29, 2022 and through postal ballot passed on May 10, 2023 respectively.

Further, during the current year, the Board of Directors, based on the recommendation of NRC, has appointed Mr. Atul Rasiklal Desai (DIN: 01918187), as an additional director (in the category of Non-Executive Independent Director) for a period of three (3) years w.e.f. June 28, 2023, subject to the approval of the shareholders of the Company.

iii. Re-appointment of Executive Director: During the year under review, based on recommendation of NRC, Mr. Ashok Kumar Gupta (DIN: 01722395) was re-appointed as Managing Director by the Board of Directors in their meeting held on August 10, 2022 for a period of three (3) years w.e.f. December 27, 2022, which was subsequently approved by the shareholders at the AGM held on September 29, 2022.

iv. Director retiring by rotation: In accordance with the provisions of Section 152 of the Act and the Articles of Association of the Company, Mr. Abhyuday Jindal (DIN: 07290474), Non-Executive Non-Independent Director of the Company is liable to retire by rotation at the ensuing AGM and being eligible, has offered himself for re-appointment as director.

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

vi. Declaration by Independent Directors: Your Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence provided in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as Independent director during the year under review. The Independent Directors have also confirmed that they have complied with the Company's Code of Conduct for Board Members and Senior Management. Further, all the Directors have also confirmed that they are not debarred to act as a Director by virtue of any SEBI order or any other authority.

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

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

ix. Cessation and appointment of Key Managerial Personnel: During the current year, Mr. Mohit Kumar Donter, Chief Financial Officer has resigned from the services of the Company w.e.f. close of business hours of June 30, 2023. The Board of Directors on the recommendation of NRC has appointed Mr. Davinder Dogra as the Chief Financial Officer of the Company w.e.f. July 01, 2023.

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

Apart from the above, there is no other change in the directors and Key Managerial Personnel ("KMP") during the year under review and thereafter.

Board Evaluation

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

An annual performance evaluation of all Directors, the Committees of the Board and the Board as a whole was carried out during the year under review. For the purpose of carrying out performance evaluation, assessment questionnaires were circulated to all Directors and their feedback was obtained and recorded. The Board of Directors has expressed its satisfaction with the evaluation process.

Public Deposits

During the year under review, your Company has not invited or accepted any deposits from the public/members pursuant to the provisions of Sections 73 and 76 of the Act read with Companies (Acceptance of Deposits) Rules, 2014 and therefore, no amount of principal or interest was outstanding in respect of deposits from the Public as at the beginning and end of the Financial Year 2022-23.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

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

Auditors and Audit Reports

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

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

The Auditors' Report does not contain any qualification, reservation or adverse remark on the financial statements for the year ended March 31, 2023. The management response to the observations/comments contained in the Auditors' Report and Annexure thereto has been suitably given in the respective Notes to the Financial Statements referred to therein.

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

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

During the financial year 2022-23, the Statutory Auditors have not reported any incident related to fraud to the Audit Committee or the Board under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

ii) Secretarial Auditors and Secretarial Audit Report: Pursuant to the provisions of Section 204 of the Act read with Rule 9 of the Managerial Personnel Rules, the Board of Directors had appointed M/s. NSP & Associates, Practicing Company Secretaries to conduct Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report issued by them is annexed as **Annexure - IV** to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark. During the financial year 2022-23, the Secretarial Auditors have not reported any matter under Section 143(12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

In addition to the above and in compliance with SEBI Circular No. CIR/CFD/CMD/1/27/2019 dated February 08, 2019, a report on secretarial compliance issued by M/s. NSP & Associates, Practicing Company Secretaries for the year ended March 31, 2023 has been submitted to stock exchanges. The same is available on the website of the Company at https://www.shalimarpaints.com/investors-relations/corporate-announcements

The Board of Directors, upon the recommendation of the Audit Committee, at their meeting held on August 11, 2023 has appointed M/s. MAKS & Co., Practicing Company Secretaries, as Secretarial Auditors, for conducting Secretarial Audit of the Company for the financial year 2023-24.

iii) Cost Auditors and Audit Report: Pursuant to Section 148(1) of the Act, for the financial year 2023-24, the Company is required to maintain cost records as specified by the Central Government. In accordance with the provisions of Section 148 of the Act, read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to get its cost accounting records audited by a Cost Auditor. The Board of Directors, upon the recommendation of the Audit Committee, has appointed M/s. Sanjay Gupta & Associates, Cost Accountants, for this purpose for the financial year 2023-24.

The remuneration payable to the Cost Auditors for the financial year 2023-24, as recommended by the Audit Committee and approved by the Board, shall be placed for ratification by members at the ensuing AGM in terms of Section 148 of the Act read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014.

Risk Management

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

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

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

Internal Financial Controls

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

Board Meetings

The Board of Directors met four (4) times during the financial year 2022-23. The intervening gap between two Board Meetings was within the maximum period prescribed under the Act. The details of Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report forming part of the Annual Report.

Audit Committee

The Composition of the Audit Committee along with the details of meetings held during the financial year 2022-23 and attendance of Committee members at the said meetings, have been provided in the Corporate Governance Report, forming part of the Annual Report. All the recommendations made by the Audit Committee during the financial year 2022-23 were accepted by the Board.

Nomination and Remuneration Policy

Pursuant to the provisions of Section 178(3) of the Act, Regulation 19(4) of SEBI Listing Regulations and as per the recommendations of NRC, the Board has adopted a policy for appointment and remuneration of the Directors, Key Managerial Personnel, Senior Management Personnel and other employees of the Company. The compensation and packages of the aforesaid persons are designed in terms of remuneration policy framed by the NRC. The remuneration policy of your Company may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf.

Weblink of Annual Return

As required pursuant to Section 134 and 92(3) of the Act, the Annual Return of the Company for the financial year ended on March 31, 2023 is available on the Company's website and can be viewed at: https://www.shalimarpaints.com/investors-relations/annual-returns

Related Party Transactions

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

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

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

Particulars of Employees and Related disclosures

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

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

Particulars of Loans, Guarantees or Investments

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

Material changes and commitments, if any, affecting the financial position of the Company

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

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

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

Secretarial Standards

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

Directors' Responsibility Statement

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

a) in the preparation of the annual accounts for the financial year ended March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2023 and of the loss of the Company for the year ended March 31, 2023;

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

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

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

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

Listing on Stock Exchanges

The Equity Shares of the Company continue to be listed on BSE Limited and National Stock Exchange of India Limited. The requisite annual listing fees for the financial year 2023-24 have been paid to these Exchanges. The addresses of these Stock Exchanges and other information for shareholders are given in the Corporate Governance Report as contained in the Annual Report.

Report on Corporate Governance

Your Company strive to maintain the high standards of transparency and Corporate Governance. The report on Corporate Governance for the year under review, as stipulated under Regulation 34 read with Schedule V of SEBI Listing Regulations is presented in a separate section and forms an integral part of the Annual Report. The certificate from the Practicing Company Secretary confirming compliance with the conditions of Corporate Governance is attached thereto and forms part of the Annual Report.

Management Discussion and Analysis Report

Management Discussion and Analysis Report for the financial year 2022-23, as required pursuant to Regulation 34 read with Schedule V of SEBI Listing Regulations, is presented in a separate section and forms an integral part of the Annual Report. It speaks about the overall industry structure, global and domestic economic scenarios, developments in business operations/ performance of the Company's various businesses viz., decorative business, international operations, industrial and home improvement business, internal controls and their adequacy, risk management systems and other material developments during the financial year 2022-23.

Business Responsibility and Sustainability Report

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

The BRSR for the financial year 2022-23, as required pursuant to Regulation 34 of SEBI Listing Regulations, describing the initiatives taken by the Company from an environmental, social and governance perspective, can be viewed on the Company's website at: https://www.shalimarpaints.com/investors-relations/annual-reports and forms an integral part of the Annual Report.

The policies referred in the above said report can be viewed on the Company's website at: https://www.shalimarpaints.com/investors-relations/corporate-governance

Inter-Se Promoter Transfer

During the year under review, Mr. Prithavi Raj Jindal, member of the promoter group of the Company has transferred 85,500 equity shares of the Company representing 0.12% of the equity share capital of the Company on November 23, 2022 to Ms. Arti Jindal, member of the promoter group of the Company. The details of the transfer are set out below:

S. No.	Name of Transferor / Transferee	Category	No. of Shares
1.	Mr. Prithavi Raj Jindal (Transferor)	Promoter Group	85,500
2.	Ms. Arti Jindal (Transferee)	Promoter Group	85,500

All the necessary disclosures in regard to the aforesaid transfer as required under SEBI Takeover Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and other applicable provisions have been intimated to the Stock Exchanges.

Corporate Social Responsibility

Shalimar has been an early adopter of Corporate Social Responsibility ("CSR") initiatives. Your Company's overarching aspiration to create significant and sustainable societal value is manifest in its CSR initiatives. CSR is traditionally driven by a moral obligation and philanthropic spirit. Through CSR there is a formation of a dynamic relationship between Company on one hand and the society and environment on the other. However, as there were no profits in terms of the provisions of Section 198 of the Act during last three financial years, the Company was not required under Section 135 of the Act, to incur expenditure on CSR during the financial year 2022-23.

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

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

Vigil Mechanism/ Whistle Blower Policy

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

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

Your Company hereby affirms that no director / employee has been denied access to the Chairman of the Audit Committee and that no complaint has been received during the year under review.

Policy on Prevention of Sexual Harassment at Workplace

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

Further, in terms of the provisions of the SEBI Listing Regulations, the details in relation to the POSH Act, for the financial year ended on March 31, 2023 are as under:

a) Number of complaints pertaining to sexual harassment filed during the financial year: NIL

b) Number of complaints pertaining to sexual harassment disposed off during the financial year: NIL

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

Insolvency and Bankruptcy Code, 2016

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

Green initiatives

Electronic copies of the Annual Report 2022-23 and the notice of the 121st Annual General Meeting are being sent to all members whose email addresses are registered with the Company/ depository participant(s). The Members holding shares in physical form who have not registered their email addresses with the Company and who wish to receive the Annual Report for the year 2022-23 can now register their e-mail addresses with the Company. For this purpose they can send scanned copy of signed request letter mentioning folio number, complete address and the email address to be registered along with self-attested copy of the PAN Card and any document supporting the registered address of the Member, by email to the Company at askus@shalimarpaints.com.

Acknowledgements

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

For and on behalf of the Board of Directors

	Ashok Kumar Gupta	**Vijay Kumar Sharma**
Dated: August 11, 2023	**Managing Director**	**Director**
Place: Gurugram	**DIN: 01722395**	**DIN : 01468701**

Shalimar Paints Limited Employee Stock Option Scheme 2013

(Disclosure pursuant to Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI (SBEB & SE) Regulations") and Section 62(1)(b) of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014)

1. Relevant disclosures in terms of the Accounting Standards prescribed by the Central Government in terms of Section 133 of the Companies Act, 2013 including the 'Guidance note on accounting for employee share based payments' issued in that regard from time to time:

   Refer Note No. 51 forming part of the standalone financial statements and Note No. 49 of the consolidated financial statements for the financial year 2022-23. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 - Share Based Payment.

2. Diluted EPS on issue of shares pursuant to all the schemes covered under the Regulations shall be disclosed in accordance with 'Indian Accounting Standard 33 - Earnings Per Share' issued by the Central Government or any other relevant Accounting Standards as issued from time to time:

   Refer Note No. 44 forming part of the standalone financial statements and Note No. 42 of the consolidated financial statements for the financial year 2022-23. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 - Earnings per share.

3. Details related to Shalimar Paints Limited Employee Stock Option Scheme 2013 ("Scheme"):

S. No.	Particulars	Disclosures
(i)	General terms and conditions of Scheme:	
	(a) Date of shareholders' approval	August 06, 2013
	(b) Total number of options approved under Scheme	5% of the Paid-up Equity Share Capital of the Company
	(c) Vesting requirements	Not Applicable as no options are outstanding as on March 31, 2023
	(d) Exercise price or pricing formula	The options to 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 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 33% discount to the market price as defined in sub-clause (a) above.
	(e) Maximum term of options granted	Options granted shall be capable of being exercised within a period of four years from the date of vesting
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of options	N.A.
(ii)	Method used to account for Scheme - Intrinsic or Fair Value	Fair Value Method
(iii)	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company	N.A.

S. No.	Particulars	Disclosures
(iv)	Option movement during FY 2022-23:	
	(a) Number of options outstanding at the beginning of the period	4,000
	(b) Number of options granted during the year	Nil
	(c) Number of options ~~forfeited~~/lapsed during the year	4,000
	(d) Number of options vested during the year	Nil
	(e) Number of options exercised during the year	Nil
	(f) Number of shares arising as a result of exercise of options	Nil
	(g) Money realised by exercise of options (Rs.), if scheme is implemented directly by the Company	Nil
	(h) Loan repaid by the Trust during the year from exercise price received	N.A.
	(i) Number of options outstanding at the end of the year	Nil
	(j) Number of options exercisable at the end of the year	Nil
(v)	Weighted-average exercise prices and weighted average fair values of options for options whose exercise price either equals or exceeds or is less than the market price of the stock	Not applicable as no stock options were granted during the year.
(vi)	Employee wise details of options granted during FY 2022-23 to:	
	(a) Senior managerial personnel as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Nil
	(b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	Nil
	(c) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil
(vii)	Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:	
	(a) Weighted-average values of share price	N.A.
	Exercise price	111.22
	Expected volatility	69.57%
	Expected option life	N.A.
	Expected dividends	N.A.
	Risk-free interest rate	8.15%
	Any other inputs to the model	N.A.
	(b) The method used and the assumptions made to incorporate the effects of expected early exercise	The fair value of options has been calculated by using Black Scholes Valuation Model
	(c) How expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility?	The expected volatility was determined based on historical volatility data. The volatility has been considered for periods, corresponding to the respective expected lives of the different vests, prior to the grant date. Daily volatility of the Company's stock price on BSE over these years has been considered.
	(d) Whether and how any other features of the option granted were incorporated into the measurement of fair value, such as a market condition?	N.A.
(viii)	Disclosures in respect of grants made in three years prior to IPO under each ESOS	N.A.

Annexure - II to Director's Report

Form No. AOC-1

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

Statement containing salient features of the financial statement of Subsidiaries/Associate Company/Joint Venture

Part A : Subsidiaries

(Rs. in Lakhs)

Name of the Subsidiary	**Shalimar Adhunik Nirman Limited**	**Eastern Speciality Paints & Coatings Private Limited**
Reporting Period	April 01, 2022 to March 31, 2023	April 01, 2022 to March 31, 2023
Reporting Currency	INR	INR
Exchange Rate (in Rs.)	1.00	1.00
Share Capital	9.50	5.00
Reserves & Surplus	1,525.76	(3.30)
Total Assets	2,722.08	2.98
Total Liabilities	2,722.08	2.98
Investments	0.00	0.00
Turnover	0.00	0.00
Profit/(Loss) before taxation	(43.84)	(0.22)
Provision for taxation	0.00	0.00
Profit/(Loss) after taxation	(43.84)	(0.22)
Proposed Dividend	0.00	0.00
% of shareholding	99.99%	100%

Note:

1. Name of subsidiaries which are yet to commence operation: None
2. Name of subsidiaries which have been liquidated or sold during the year: None

Part B: Associates and Joint Ventures – Not Applicable

For and on behalf of the Board of Directors

	Ashok Kumar Gupta	**Alok Perti**
Dated: May 27, 2023	**Managing Director**	**Director**
Place: Gurugram	**DIN: 01722395**	**DIN : 00475747**

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

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

A. Conservation of Energy

Shalimar Paints believes conservation of energy and resources, is not a choice but a compulsion, to help us save cost as well as a route to create sustainable development.

1. Steps taken towards conservation of energy:

Shalimar Paints have 4 manufacturing facilities, out of which 3 plants are currently in operation. All the existing manufacturing facilities continued their efforts to reduce the specific energy consumption. 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 are in place along with mapping of energy norms at individual machine, product, and individual block and at factory level. Internal benchmarking practices on energy performance, comparing the relative performance between plants has helped us in sharing the good practices amongst different plants.

The process of Energy audit across all critical operations at regular intervals has been instituted and the findings of the audits are implemented on regular basis. Engagement with external functional experts in the field of Energy Conservation and Manufacturing Efficiency has helped us in understanding the gaps and implementing the best practices aimed at being more efficient in our Manufacturing process.

Process standardization & Batch cycle time reduction initiatives are regularly undertaken to reduce the energy consumption in all our manufacturing plants. We continue to work on debottlenecking few operations to help us to operate at higher throughput rate, thus in turn reducing specific energy consumption.

Efforts have been put consistently year on year to optimize the use of energy consumption in production processes and operation of utilities.

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

We have initiated plans to install Solar panels in roof under outsourced model where the infrastructure is funded by a third party and your company commits to a specified off take of the power generated at a cost which will be less than the present grid cost. The aforesaid work has been started at Nashik Plant and is expected to be completed in the current year.

3. Capital investment on energy conservation equipments:

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

B. Technology Absorption

1. Efforts made towards technology absorption:

The Research & Development department (R&D) of our Company is aggressively pursuing following activities to achieve short & long term business objectives of the Company with emphasis on future trend in Paints and Coating business.

- Product and process development of various types of paints related to interior & exterior decorative coatings, general industrial, protective and can coatings etc.
- Continuous value engineering activities through various means such as design modification, new product development, process improvement, introducing new & alternate raw materials etc.
- Development of green products with controlled VOC level in the formulations with an ultimate objective to convert products to environment friendly level.
- Import substitution and identification of new indigenous counter raw materials for added value engineering approach.
- Upgradation of existing products & processes to improve quality, reduce cost, save cycle time, energy consumption and to improve overall operational efficiencies.
- Reduction in factory level losses by optimization of formulation, reduction in processing time, upgradation of testing process and minimization of waste generation.
- Pursuing Collaborative development & testing projects with vendors, academia and institutes.
- Validation of various products with achieving certification for national and international recognition such as WRAS (UK) and BIS (India) etc.
- Accreditation of R&D Laboratory from NABL in the current financial year.
- Not collaborated and absorbed any outsourced or third party technology during the year under review.

2. **Benefits derived as a result of above R&D activities:**
   - Introduction of new products in the Decorative and Industrial coating segments.
   - Capable of offering more and more environment friendly and safe products by eliminating toxic elements and monitoring of VOC level.
   - Value engineering and cost optimization of existing products.
   - Continuous development of industrial products as per Customers' / Consultants' specification.
   - New customer addition in industrial segment with the help of NABL accreditation.

   Following new products in Decorative segment have been developed during the financial year 2022-2023
   - Water base premium VOC free Interior emulsion with anti-viral and stain resistance properties
   - Economy grade Water base elastomeric coating for damp masonry surface
   - Water base High solid anticarbonition emulsion as per MORTH Specification
   - Polyurethane modified Synthetic Satin Enamel
   - Single Pack Epoxy Enamel for Dealer segment
   - Vinyl based size and varnish for ROPP caps
   - Acrylic based RC White and varnish for 3 Piece External and Crown
   - Thermal resistant anti corrosion heavy duty aluminium coating
   - Polyurethane varnish for aluminium structure
   - 2K PU colours for dealer segment
   - Quick drying, Bitumen sealer coat for ERW Pipes
   - High Durable Polyurethane finish for port structures
   - Low VOC Epoxy Phenolic based Tank liner for OIL and GAS segment
   - Low VOC Ultra Hi bild Coal Tar finish for water transport project
   - Low VOC Polyurethane finish for High Value Infrastructure segment
   - Establishment of Color Tinting system for Industrial product segment

   Future plan of action:
   - High Performance Fluoropolymer based Urethane Paint scheme for 25 years' life
   - Solvent free polyurethane finish for above ground pipes
   - Protective coatings as Pipe internal coating for efficient gas flow
   - Water base single coat interior emulsion
   - Water base hygienic emulsion for hospitals, food and pharmaceutical industries
   - Water base premium VOC free Exterior emulsion with anti-viral and stain resistance properties
   - Water base premium emulsion with 11 years' life
   - Water base semi texture matt emulsion superior weather ability for coastal region
   - High Performance Poly Siloxane finish for 12 years' life
   - Polyester based RC White and varnish for universal can coating
   - Epoxy internal white can coating for 3P OTS can
   - Polyurethane and melamine wood coating in Selear, matt and glossy variants
   - Fast drying synthetic enamel serviceable through tinting system
   - Water base DTM for metal structures in pipe and OEM segment

   Initiatives towards Accreditation, certification and product recognition:
   - Company has received NABL accreditation of R&D Laboratory at Nashik for 2 years valid upto 2025
   - Company has received WRAS certification for 5 years valid upto 2029 for epoxy and bitumen products for using the product in potable water
   - Company has received NSF – US certification for Solvent free epoxy pipe coating manufactured at Sikandrabad Plant
   - Company has received recognition from DSIR for 3 years valid upto 2024
   - Company has received BIS certification for products for 3 years

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

Initiatives towards Green products development:

- Company has accorded highest priority in making the entire premium range of decorative products environment friendly - GREEN PRODUCTS.
- Programs are continuing to make remaining products eco-friendly & free from toxic heavy metals, chemicals without affecting performance & with minimum or no impact on cost.
- Special emphasis on mapping of toxicity levels of raw materials done with an objective to mitigate risk during handling, processing & application.

4. **Expenditure incurred on Research and Development:**

(Rs.in Lakhs)

Particulars	**FY 2022-23**	**FY 2021-22**
Capital	58.66	-
Recurring	471.40	290.17
Total	**530.06**	**290.17**
Total R&D expenditure as percentage of turnover	1.10%	0.81%

C. Foreign Exchange Earnings and Outgo

(Rs. in Lakhs)

(Equivalent INR value of various currencies)

Particulars	**FY 2022-23**	**FY 2021-22**
Inflow	483.00	970.57
Outflow	2214.80	1100.60

For and on behalf of the Board of Directors

Ashok Kumar Gupta
Managing Director
DIN: 01722395

Vijay Kumar Sharma
Director
DIN: 01468701

Dated: August 11, 2023
Place: Gurugram

Annexure - IV to Director's Report

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2023

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

To,
The Members,
Shalimar Paints Ltd.
(L24222HR1902PLC065611)
Stainless Centre, 4th Floor,
Plot No. 50, Sector 32,
Gurugram - 122001, Haryana

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Shalimar Paints Ltd.** (hereinafter called "the Company"), having its Registered Office at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram, Haryana - 122001. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2023, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent based on the management representation letter/ confirmation, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023, according to the provisions of:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, *[herein after referred to as SEBI (LODR) Regulations, 2015]*.
   b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
   e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (up to 12th August, 2021) and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (with effect from 13th August, 2021);
   f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - Not applicable as the Company has not issued any Non-Convertible Securities during the financial year under review;
   g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   h) The Securities and Exchange Board of India (De-listing of Equity Shares) Regulations, 2009 - Not applicable as the Company has not delisted/ proposed to delist its equity shares from any stock exchange during the financial year under review.
   i) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 - Not applicable as the Company has not bought back/ propose to buy back any of its securities during the financial year under review.
6. We further report that with respect to the compliance of the below mentioned laws, we have relied on the compliance system prevailing in the Company and on the basis of representation received from the management :

a) Applicable Labour Laws

b) Applicable direct and indirect tax laws

c) Prevention of Money Laundering Act 2002;

d) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996 and

e) Forest (Conservation) Act, 1980

f) Regulations & Guidelines issued by Ministry of Environment, Forest and Climate Change, Government of India

g) Regulations & Guidelines issued by Ministry of Water Resources, Government of India

h) The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder

i) The Air (Prevention and Control of Pollution) Act 1981 and rules made thereunder

j) Environment (Protection) Act, 1986 and rules made thereunder

k) Guidelines issue by National Green Tribunal.

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

(i) Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India notified by Central Government; and

(ii) The Listing Agreements entered into by the Company with the Stock Exchange(s).

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

We further report that:

During the period under review, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever applicable.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period there were no specific events/ actions having a major bearing on Company's affairs in pursuance of the above-referred laws, rules, regulations, guidelines, standards etc.

We further report that during the audit period:

1. For non-compliance with the constitution of Nomination and Remuneration Committee ("NRC") as prescribed under Regulation 19(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NSE Limited has imposed fine of Rs. 72,000 for quarter ended 31.03.2022 and Rs. 1,82,000 for quarter ended 30.06.2022; and BSE Limited has imposed fine of Rs. 2,54,000 for quarter ended 30.06.2022 on the Company. The Company had made revised Corporate Governance Report filings with BSE and NSE for the quarter ended 31.03.2022 and 30.06.2022. The Company had made submissions to BSE & NSE and had requested for waiver of fines imposed by BSE and NSE. After considering the Company's submissions, NSE has reversed the fine amounting to Rs. 72,000 for the quarter ended 31.03.2022. Rest of the waiver requests are under consideration by BSE and NSE.

For NSP & Associates
Company Secretaries

(Proprietor)
UDIN: F009028E000922204
FCS No.: 9028
C P No.: 10937

Place: Noida
Date: 11th August, 2023

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,
The Members,
Shalimar Paints Ltd.
(L24222HR1902PLC065611)
Stainless Centre, 4th Floor,
Plot No. 50, Sector 32,
Gurugram - 122001, Haryana

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company for the Financial Year ended March 31, 2023.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.

5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.

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

For NSP & Associates
Company Secretaries

(Proprietor)
UDIN: F009028E000922204
FCS No.: 9028
C P No.: 10937

Place: Noida
Date: 11th August, 2023

Annexure - V to Director's Report

Details of remuneration under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the year ended March 31, 2023

<table>
<tr><th>S. No.</th><th>Particulars</th><th colspan="2">Details</th></tr>
<tr><td>I.</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year 2022-23</td><td colspan="2">Ratio of the remuneration of Mr. Ashok Kumar Gupta (Managing Director) to the median remuneration of employees is 95:05.
Notes :
1. Sitting fees paid to the Non-Executive Independent Directors have not been considered under this clause. Non-Executive Non-Independent Directors received no remuneration during the financial year 2022-23.
2. For calculation of median remuneration overall payout is considered which includes basic salary, allowances, contribution towards provident fund, statutory bonus and excludes gratuity and leave encashment.</td></tr>
<tr><td rowspan="5">II.</td><td rowspan="5">The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year 2022-23</td><td>Name of the Director & KMP</td><td>% increase in remuneration</td></tr>
<tr><td>Mr. Ashok Kumar Gupta
(Managing Director)</td><td>-</td></tr>
<tr><td>Mr. Mohit Kumar Donter
(Chief Financial Officer appointed w.e.f. June 26, 2021)</td><td>NA (Since information for previous FY 2021-22 was for part of the year, same is not comparable)</td></tr>
<tr><td>Ms. Shikha Rastogi
(Company Secretary appointed w.e.f. January 18, 2022</td><td>NA (Since information for previous FY 2021-22 was for part of the year, same is not comparable)</td></tr>
<tr><td colspan="2">Note: While calculating remuneration total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.</td></tr>
<tr><td rowspan="2">III.</td><td rowspan="2">The percentage increase in median remuneration of employees in the financial year 2022-23</td><td colspan="2">11.29 %</td></tr>
<tr><td colspan="2">Note: For calculation of median remuneration overall payout is considered which includes basic salary, allowances, contribution towards provident fund, statutory bonus and excludes gratuity and leave encashment.</td></tr>
<tr><td>IV.</td><td>The number of permanent employees on the rolls of the company</td><td colspan="2">558 Employees as at March 31, 2023</td></tr>
<tr><td rowspan="2">V.</td><td rowspan="2">Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration</td><td colspan="2">The average percentile increase made in the salaries of employees other than the managerial personnel was 18% which is in line with the average increase of 19% in the managerial remuneration.</td></tr>
<tr><td colspan="2">Note: While calculating remuneration, total cost to the Company is considered, which includes basic salary, allowances, contribution towards provident fund, statutory bonus, performance linked variable pay, gratuity and excludes leave encashment.</td></tr>
<tr><td>VI.</td><td>Affirmation that the remuneration is as per the remuneration policy of the company</td><td colspan="2">It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management is as per the Nomination and Remuneration Policy of your Company.</td></tr>
</table>

For and on behalf of the Board of Directors

	Ashok Kumar Gupta	**Vijay Kumar Sharma**
Dated: August 11, 2023	**Managing Director**	**Director**
Place: Gurugram	**DIN: 01722395**	**DIN: 01468701**

Annexure - VI to Director's Report

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

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

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

2. Composition of the CSR Committee:

   The composition of the CSR Committee as on March 31, 2023 is as follows:

S. No.	Name	Position	Category
1.	Ms. Shan Jain	Chairperson	Independent Director
2.	Mr. Ashok Kumar Gupta	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

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

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any - Not Applicable

6. Average net profit of the company as per section 135(5) - (Rs. 4,852.37) Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) - Not Applicable

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years - Not Applicable

   (c) Amount required to be set off for the financial year, if any - Not Applicable

   (d) Total CSR obligation for the financial year (7a+7b-7c) - Not Applicable

8. (a) CSR amount spent or unspent for the financial year:

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

(b) Details of CSR amount spent against ongoing projects for the financial year:

(Rs. In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implem-entation -Direct (Yes/No)	Mode of Implementation -Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Promoting Education	Education	No	West Bengal	Howrah	-	2.50	2.50	NIL	Yes	NA	NA
	Total					-	2.50	2.50				

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(Rs. In Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation -Direct (Yes/No)	Mode of Implementation -Through implementing agency	
				State	District			Name	CSR Registration Number
Nil									

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Nil

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 2.50 lakhs

(g) Excess amount of set off, If any : Not applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year : Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: Not Applicable

For and on behalf of the CSR Committee

Shan Jain
Chairman, CSR Committee
DIN: 09661574

Ashok Kumar Gupta
Managing Director
DIN: 01722395

REPORT ON CORPORATE GOVERNANCE

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

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

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

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

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

2. Board of Directors

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

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

As on March 31, 2023, the Board consisted of 8 directors out of whom 1 was executive director, 5 were non-executive independent directors (including one woman director) and 2 were non-executive non-independent directors.

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

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

b. Board functioning and procedure:

i) Scheduling and Selection of Agenda items:

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

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

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

ii) Recording Minutes of the Proceedings:

The minutes of the proceedings of each Board / Committee / Shareholders' Meetings are recorded. Draft minutes of the Board / Committee meetings are circulated amongst all the members of the Board / Committee for their comments / inputs. The minutes of all the meetings are entered in respective Minutes Books within prescribed time limits.

iii) Post Meeting Follow-Up Mechanism:

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

iv) Statutory Compliance of Laws:

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

c. Board Meetings and Attendance:

During the financial year 2022-23, four (4) Board Meetings were held on May 26, 2022, August 10, 2022, November 14, 2022 and February 13, 2023. The gap between any two consecutive meetings was within the limit prescribed under the Companies Act, 2013 ("Act") and SEBI Listing Regulations. The necessary quorum was present during all the meetings. The Company effectively uses facility of audio-visual means to enable the participation of Directors who cannot attend the Board or Committee meeting(s) in person.

The attendance of Directors at Board Meetings held during the financial year 2022-23 and last Annual General Meeting ("AGM") and number of their other directorships & committee memberships / chairmanships as on March 31, 2023, is as under:

S. No.	Name of Director and Category of Directorship	No. of board meetings held during the tenure	Attendance at meetings during 2022-23		No. of Shares Held	No. of Directorships[$] and Committee Memberships/ Chairmanships[$$] held in other Companies			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM		Directorships	Committee Memberships	Committee Chairmanships	
1.	Dr. Rajeev Uberoi, NEID	4	4	Yes	Nil	10	0	0	• Jindal Stainless Limited - NEID • Aurionpro Solutions Limited - NEID • IL&FS Transportation Networks Limited - NEID
2.	Mr. Abhyuday Jindal, NENID	4	1	No	Nil	2	1	0	• Jindal Stainless Limited - MD
3.	Mr. Souvik Pulakesh Sengupta, NENID	4	2	No	Nil	8	0	0	Nil
4.	Mr. Ashok Kumar Gupta, MD	4	4	Yes	18,27,000	3	1	0	• APL Apollo Tubes Limited - NENID • Apollo Pipes Limited - NENID
5.	Mr. Alok Perti, NEID[@]	4	4	Yes	Nil	3	0	0	Nil
6.	Mr. Ashok Kumar Agarwal, NEID[@@]	2	2	No	Nil	NA	NA	NA	NA

S. No.	Name of Director and Category of Directorship	No. of board meetings held during the tenure	Attendance at meetings during 2022-23		No. of Shares Held	No. of Directorships$ and Committee Memberships/ Chairmanships$$ held in other Companies			Name of the other listed Company(s) in which director and Category of Directorship
			Board	AGM		Directorships	Committee Memberships	Committee Chairmanships	
7.	Ms. Shruti Srivastava, NEID#	4	4	Yes	Nil	NA	NA	NA	NA
8.	Mr. Vijay Kumar Sharma, NEID	4	3	Yes	Nil	4	1	0	Nil
9.	Mr. Sanjiv Garg, NEID*	3	3	Yes	Nil	4	0	0	Nil
10.	Ms. Shan Jain, NEID**	1	1	NA	Nil	0	0	0	Nil

Note : MD = Managing Director, NEID = Non-Executive Independent Director, NENID = Non-Executive Non-Independent Director.
$ Excludes directorship in foreign companies, membership of managing committees of various chambers / bodies / Section 8 companies and the Company.
$$ In accordance with Regulation 26(1) of SEBI Listing Regulations, memberships / chairmanships of only Audit Committee and Stakeholders' Relationship Committee in all public limited companies (excluding the Company) have been taken into account.
@Ceased to be director of the Company w.e.f. 29.06.2023
@@ Ceased to be director of the Company w.e.f. 11.08.2022
# Ceased to be director of the Company w.e.f. 19.02.2023
* Appointed as NEID of the Company w.e.f. 10.08.2022
** Appointed as NEID of the Company w.e.f. 13.02.2023

None of the directors on the Board is a Director in more than 20 companies (including not more than 10 public limited companies) as specified in Section 165 of the Act.

None of the directors on the Board is a member in more than 10 committees across all the public limited entities in which he / she is a director and / or acts as Chairman of more than 5 committees across all the listed entities in which he / she is a director.

None of the directors is serving as a director/independent director in more than 7 listed companies including Shalimar Paints Ltd.

None of the aforesaid directors of the Company are related to each other.

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

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

During the year under review, Mr. Ashok Kumar Agarwal and Ms. Shruti Srivastava, Non-Executive Independent Directors, have ceased to be directors of the Company w.e.f. August 11, 2022 and February 19, 2023 respectively.

Further, during the current year, Mr. Alok Perti has ceased to be the Non-Executive Independent Director of the Company w.e.f. June 29, 2023 pursuant to completion of his second consecutive term as Non-Executive Independent Director of the Company on June 29, 2023.

During the year under review, the appointments of Mr. Sanjiv Garg and Ms. Shan Jain, who were appointed as Non-Executive Independent Directors by the Board of Directors w.e.f. August 10, 2022 and February 13, 2023 respectively, were approved by the shareholders at the Annual General Meeting held on September 29, 2022 and through postal ballot passed on May 10, 2023 respectively.

Further, during the current year, the Board of Directors, on the recommendation of NRC, has appointed Mr. Atul Rasiklal Desai, as an Additional Director (in the category of Non-Executive Independent Director) for a period of three (3) years w.e.f. June 28, 2023, subject to the approval of the shareholders of the Company. The detailed information pertaining to changes in Board of Directors is furnished in the Directors' Report, forming part of the Annual Report.

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

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

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

e. Confirmation regarding Independent Directors:

The Independent Directors provide annual confirmations stating that they meet the criteria of independence as stated in Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations. On the basis of confirmations / declarations / disclosures received from the Independent Directors and on evaluation of the relationship disclosed, the Board confirms that in its opinion, the Independent Directors of the Company fulfill the conditions as specified in the Act and SEBI Listing Regulations and are independent of the management.

f. Meeting of Independent Directors:

In accordance with the provisions of Schedule IV of the Act read with the Rules thereunder and Regulation 25 of the SEBI Listing Regulations, a separate meeting of the independent directors was held on August 09, 2022 without the attendance of non-independent directors and members of the management to review the performance of non-independent directors and the Board of Directors as a whole. All the Independent Directors were present at the said meeting. The Independent Directors also evaluated the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The Chairman of the said meeting also provided the feedback to the Board about the key elements that emerge out of the meeting.

g. Registration in Independent Directors' Data Bank:

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

h. Performance Evaluation Criteria for Independent Directors:

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

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

i. Familiarization Programme for Board Members including Independent Directors:

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

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

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

The framework and the details of familiarization programme conducted for Board members may be accessed on the Company's website at the links: https://www.shalimarpaints.com/uploads/Policy_on_Familiarisation_Program_for_Independent_Directors.pdf and https://www.shalimarpaints.com/uploads/Details_of_Familiarization_Programme_imparted_to_Independent_Directors.pdf respectively.

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

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

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

@ Appointed as director of the Company w.e.f. 28.06.2023

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

3. Board Committees

To ensure timely and effective functioning of the Board of Directors and the Company, in addition to compliance with the provisions of the Companies Act, 2013, Rules framed thereunder, SEBI Listing Regulations and other applicable regulations, guidelines, circulars and notifications of the Securities and Exchange Board of India ("SEBI"), the Board of Directors has constituted various committees with specific terms of reference, which include Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Risk Management Committee, Corporate Social Responsibility Committee, Share Transfer Committee, Sub-Committee of Board of Directors, Sub-Committee of Finance and Business Transformation Committee. The Committees meet as often as required. The Board is updated on the discussions held at the Committee meetings and the recommendations made by the various Committees. The minutes of meetings of these Committees are placed at the Board meetings. All the recommendations made by the Committees to the Board of Directors during the financial year 2022-23 were accepted by the Board of Directors.

3.1 Audit Committee

a. Composition: The composition of the Audit Committee conforms with the requirements of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. The composition of the Audit Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Alok Perti*	Chairman	Independent Director
2.	Mr. Ashok Kumar Gupta*	Member	Managing Director
3.	Dr. Rajeev Uberoi	Member	Independent Director
4.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director
5.	Mr. Vijay Kumar Sharma	Member	Independent Director
6.	Mr. Sanjiv Garg@*	Member	Independent Director

* Ceased to be member w.e.f. 28.06.2023
@ Appointed as member w.e.f. 28.03.2023

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

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

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

- Reviewing the utilization of loans and / or advances from / investment by the Company in the subsidiary exceeding Rs. 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
- To consider and comment on rationale, cost benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders;
- To carry out any other function as is mentioned in the terms of reference of the Audit Committee;
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

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

- Management discussion and analysis of financial condition and results of operations;
- Management letters / letters of internal control weaknesses, if any, issued by the statutory auditors;
- Internal Audit Reports relating to internal control weaknesses;
- Appointment, removal and terms of remuneration of the internal auditors; and
- Statement of Deviations, if applicable:

  (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations.

  (ii) Annual statements of funds utilized for purposes other than those stated in the offer documents / prospectus / notice, if applicable, in terms of Regulation 32(7) of SEBI Listing Regulations.

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

d. Meetings of Audit Committee and attendance of members: During the financial year 2022-23, four (4) meetings of the Audit Committee were held on May 26, 2022, August 10, 2022, November 14, 2022 and February 13, 2023. Requisite quorum was present during all the meetings. The attendance of members of the Audit Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Alok Perti*	4	4
2.	Mr. Ashok Kumar Gupta*	4	4
3.	Dr. Rajeev Uberoi	4	4
4.	Ms. Shruti Srivastava#	4	3
5.	Mr. Souvik Pulakesh Sengupta	4	2
6.	Mr. Vijay Kumar Sharma	4	3
7.	Mr. Sanjiv Garg@*	0	0

* Ceased to be member w.e.f. 28.06.2023
# Ceased to be director of the Company w.e.f. 19.02.2023
@ Appointed as member w.e.f. 28.03.2023

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

The Chief Financial Officer regularly attends the Committee meetings and the Company Secretary acts as the Secretary of the Committee. The quarterly Committee meetings were attended by the representative of Statutory Auditors. As and when required, Internal Auditors and other senior management personnel of the Company are invited to the Audit Committee meetings. The Chairperson of the Audit Committee was present at the last AGM of the Company to answer the queries of the shareholders.

3.2 Nomination and Remuneration Committee

a. Composition: The composition of the Nomination and Remuneration Committee conforms with the requirements of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Alok Perti*	Chairman	Independent Director
2.	Dr. Rajeev Uberoi	Member	Independent Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director
4.	Mr. Vijay Kumar Sharma#	Member	Independent Director

* Ceased to be member w.e.f. 28.06.2023
# Appointed as member w.e.f. 14.11.2022

The Committee comprises of non-executive directors with majority of independent directors. The Chairman of the Committee is an independent director.

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

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors;
- Devising a policy on diversity of Board of Directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- Recommending to the Board whether to extend or continue the term of appointment of the independent director, on the basis of report of performance evaluation of independent directors;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- To administer, monitor and formulate detailed terms and conditions of the Employees' Stock Option Schemes; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Meetings of Nomination and Remuneration Committee and attendance of members: During the financial year 2022-23, two (2) meetings of the Nomination and Remuneration Committee were held on August 10, 2022 and February 13, 2023. Requisite quorum was present during all the meetings. The attendance of members of the Nomination and Remuneration Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Alok Perti*	2	2
2.	Dr. Rajeev Uberoi	2	2
3.	Mr. Souvik Pulakesh Sengupta	2	2
4.	Mr. Vijay Kumar Sharma#	1	0

* Ceased to be member w.e.f. 28.06.2023
# Appointed as member w.e.f. 14.11.2022

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

d. Nomination and Remuneration Policy: The Nomination and Remuneration policy of your Company is comprehensive which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives.

The Company endeavours to attract, retain, develop and motivate a high performance workforce. The Company follows a compensation mix of fixed and variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the timely appraisal process.

The Nomination and Remuneration Policy of the Company has been disseminated on the website of the Company at the web link https://www.shalimarpaints.com/uploads/Nomination_and_Remuneration_Policy.pdf

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

The details of remuneration paid to the directors during the financial year 2022-23 are as under:

- Executive Director:

The details of remuneration paid to Mr. Ashok Kumar Gupta, Managing Director during the year under review and other relevant disclosures are as follows:

Amount (in Rs.)

Name	Designation	Salary	Other Allowances	Contribution to PF and Other Funds	Total	Period of Agreement	Notice Period
Mr. Ashok Kumar Gupta	Managing Director	2,49,99,996	Nil	Nil	2,49,99,996	Three (3) years from the date of appointment	2 Months

Mr. Ashok Kumar Gupta holds 18,27,000 equity shares of Rs. 2/- each of the Company as on March 31, 2023.

- Non - Executive Independent Directors:

All the non-executive independent directors are being paid sitting fees for attending meetings of the Board and Committees thereof. The details of sitting fees paid to the non-executive independent directors during the financial year 2022-23 are as follows:-

Amount (in Rs.)

S. No.	Name of Director	Sitting Fees Paid
1.	Dr. Rajeev Uberoi	5,30,000
2.	Mr. Alok Perti*	3,90,000
3.	Mr. Ashok Kumar Agarwal**	70,000
4.	Mr. Sanjiv Garg@	1,50,000
5.	Ms. Shan Jain#	50,000
6.	Ms. Shruti Srivastava$	2,65,000
7.	Mr. Vijay Kumar Sharma	2,25,000

* Ceased to be director of the Company w.e.f. 29.06.2023
** Ceased to be director of the Company w.e.f. 11.08.2022
@ Appointed as Non-Executive Independent Director w.e.f. 10.08.2022
# Appointed as Non-Executive Independent Director w.e.f. 13.02.2023
$ Ceased to be director of the Company w.e.f. 19.02.2023

There are no materially significant related party transactions, pecuniary transactions or relationships between the Company and its directors except those disclosed in the Financial Statements for the financial year ended on March 31, 2023.

3.3 Stakeholders' Relationship Committee

a. Composition: The composition of Stakeholders' Relationship Committee conforms with the requirements of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Sanjiv Garg@	Chairman	Independent Director
2.	Mr. Ashok Kumar Gupta#	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

@ Appointed as member w.e.f. 28.03.2023
# Appointed as member w.e.f. 10.08.2022

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

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

c. Meetings of Stakeholders' Relationship Committee and attendance of members: During the financial year 2022-23, one (1) meeting of the Stakeholders' Relationship Committee was held on November 14, 2022. Requisite quorum was present during the meeting. The attendance of members of the Committee at this meeting was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Ms. Shruti Srivastava@	1	1
2.	Mr. Ashok Kumar Agarwal#	0	0
3.	Mr. Ashok Kumar Gupta*	1	1
4.	Mr. Sanjiv Garg**	0	0
5.	Mr. Souvik Pulakesh Sengupta	1	0

@ Ceased to be director of the Company w.e.f. 19.02.2023
# Ceased to be member w.e.f. 10.08.2022
* Appointed as member w.e.f. 10.08.2022
** Appointed as member w.e.f. 28.03.2023

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

Ms. Shikha Rastogi, Company Secretary is the Compliance Officer for the requirements of SEBI Listing Regulations.

d. Stakeholders' Grievance Redressal: The details of the investor's complaints received and resolved during the financial year 2022-23 are as follows:

No. of complaints pending as on April 01, 2022	Nil
No. of complaints received during the financial year	3
No. of complaints resolved during the financial year	3
No. of complaints pending as on March 31, 2023	Nil

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

3.4 Risk Management Committee

a. Composition: The composition of the Risk Management Committee conforms with the requirements of Regulation 21 of SEBI Listing Regulations. The composition of the Risk Management Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Vijay Kumar Sharma	Chairman	Independent Director
2.	Mr. Ashok Kumar Gupta	Member	Managing Director
3.	Dr. Rajeev Uberoi	Member	Independent Director
4.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

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

- Formulation of a detailed risk management policy which shall include:
  - a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitoring and overseeing implementation of the risk management policy including evaluating the adequacy of risk management systems;
- Reviewing periodically the risk management policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- Reviewing the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- Coordinating its activities with other Committees, in instances where there is any overlap with activities of such Committees, as per the framework laid down by the board of directors; and
- To carry out any other duties / terms of reference which are incidental / necessary for the fulfillment of the above mentioned terms of reference and any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification as may be applicable.

c. Meetings of Risk Management Committee and attendance of members: During the financial year 2022-23, two (2) meetings of the Risk Management Committee were held on August 05, 2022 and Janurary 13, 2023. Requisite quorum was present during all the meetings. The attendance of members of the Risk Management Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Vijay Kumar Sharma	2	2
2.	Mr. Ashok Kumar Gupta	2	2
3.	Dr. Rajeev Uberoi	2	2
4.	Mr. Souvik Pulakesh Sengupta	2	0

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

3.5 Corporate Social Responsibility Committee

a. Composition: The composition of Corporate Social Responsibility Committee conforms with the requirements of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Ms. Shan Jain*	Chairperson	Independent Director
2.	Mr. Ashok Kumar Gupta**	Member	Managing Director
3.	Mr. Souvik Pulakesh Sengupta	Member	Non-Executive Non-Independent Director

* Appointed as member w.e.f. 28.03.2023
** Appointed as member w.e.f. 10.08.2022

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

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

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

c. Corporate Social Responsibility Policy:

The Corporate Social Responsibility Policy of the Company has been uploaded on the Company's website and can be accessed at: https://www.shalimarpaints.com/uploads/Corporate_Social_Responsibility_Policy.pdf

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

3.6 Share Transfer Committee

a. Composition: The Board of Directors has delegated the power of approving transfer / transmission / transposition of securities and other related formalities to the Share Transfer Committee. The Committee meets from time to time on need basis. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Ashok Kumar Gupta	Chairman	Managing Director
2.	Mr. Mohit Kumar Donter@	Member	Chief Financial Officer
3.	Ms. Shikha Rastogi	Member	Company Secretary

@ Ceased to be member w.e.f. 30.06.2023

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

b. Meetings of Share Transfer Committee and attendance of members: During the financial year 2022-23, four (4) meeting of the Share Transfer Committee were held on June 16, 2022, August 23, 2022, November 22, 2022 and Januray 05, 2023. Requisite quorum was present during the meeting. The attendance of members of the Committee at the meeting was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Ashok Kumar Gupta	4	4
2.	Mr. Mohit Kumar Donter@	4	4
3.	Ms. Shikha Rastogi	4	4

@ Ceased to be member w.e.f. 30.06.2023

3.7 Sub-Committee of Board of Directors

a. Composition: The Board has constituted a Sub-Committee of Directors which has been delegated with certain powers of the Board of Directors in accordance with the provisions of the Act and the rules framed thereunder. The Committee meets from time to time on need base to transact the matters of urgency. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Ashok Kumar Gupta	Chairman	Managing Director
2.	Mr. Alok Perti*@	Member	Independent Director
3.	Mr. Vijay Kumar Sharma	Member	Independent Director

* Appointed as member w.e.f. 28.03.2023
@ Ceased to be member w.e.f. 28.06.2023

b. Meetings of Sub-Committee and attendance of members: During the financial year 2022-23, seven (7) meetings of Sub-Committee of Board of Directors were held on April 13, 2022 (01 of 2022-23), April 13, 2022 (02 of 2022-23), May 11, 2022, August 22, 2022, September 26, 2022, December 05, 2022 and January 09, 2023. Requisite quorum was present during all the meetings. The attendance of members of the Sub-Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Ashok Kumar Gupta	7	7
2.	Mr. Vijay Kumar Sharma	7	7
3.	Ms. Shruti Srivastava#	7	7
4.	Mr. Alok Perti*@	0	0

Ceased to be director of the Company w.e.f. 19.02.2023
* Appointed as member w.e.f. 28.03.2023
@ Ceased to be member w.e.f. 28.06.2023

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

3.8 Sub-Committee of Finance

a. Composition: The Board has constituted a Sub-Committee of Finance which has been delegated with certain powers of the Board of Directors in accordance with the provisions of the Act and the rules framed thereunder. The Committee meets from time to time on need base to transact the matters of urgency. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Ashok Kumar Gupta	Chairman	Managing Director
2.	Mr. Mohit Kumar Donter*@	Member	Chief Financial Officer
3.	Ms. Nisha Bihani*	Member	Assistant Manager - Treasury

* Appointed as member w.e.f. 10.08.2022
@ Ceased to be member w.e.f. 30.06.2023

b. Meetings of Sub-Committee of Finance and attendance of members: During the financial year 2022-23, one (1) meeting of Sub-Committee of Finance was held on August 23, 2022. Requisite quorum was present during the meeting. The attendance of members of the Sub-Committee of Finance at this meeting was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Ashok Kumar Gupta	1	1
2.	Mr. Mohit Kumar Donter*@	1	1
3.	Ms. Nisha Bihani*	1	1

* Appointed as member w.e.f. 10.08.2022
@ Ceased to be member w.e.f. 30.06.2023

3.9 Business Transformation Committee

a. Composition: The Board has constituted a Business Transformation Committee. The composition of the Committee as on March 31, 2023 was as under:

S. No.	Name	Position	Category
1.	Mr. Souvik Pulakesh Sengupta	Chairman	Non-Executive Non-Independent Director
2.	Mr. Ashok Kumar Gupta	Member	Managing Director
3.	Mr. Vijay Kumar Sharma	Member	Independent Director

b. Meetings of Business Transformation Committee and attendance of members: During the financial year 2022-23, two (2) meetings of Business Transformation Committee of Board of Directors were held on July 12, 2022 and December 13, 2022. Requisite quorum was present during all the meetings. The attendance of members of the Sub-Committee at these meetings was as follows:

S. No.	Name	No. of Meetings	
		Held during the tenure	Attended during the tenure
1.	Mr. Souvik Pulakesh Sengupta	2	2
2.	Mr. Ashok Kumar Gupta	2	2
3.	Mr. Vijay Kumar Sharma	2	1

4. Employees Stock Option Scheme

During the year under review, with a view to motivate the employees seeking their contribution to the corporate growth, to create a sense of ownership and participation amongst them, to attract new talents and to retain them for ensuring sustained growth, a new Employees Stock Option Scheme i.e. “Shalimar Paints Limited Employees Stock Option Scheme - 2022” (“SPL ESOP 2022”) was implemented for which approval of shareholders of the Company was received on September 29, 2022.

The Nomination and Remuneration Committee of the Board of Directors of the Company, inter-alia, administers and monitors the Employees' Stock Option Schemes of the Company in accordance with the SEBI (SBEB & SE) Regulations.

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

5. General Body Meetings

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

Financial Year	Day and Date*	Time	Special Resolution(s) passed
2021-22	Thursday 29.09.2022	12:30 P.M.	• Re-appointment of Mr. Ashok Kumar Gupta (DIN: 01722395) as Managing Director of the Company • Appointment of Mr. Sanjiv Garg (DIN: 00428757) as Non-Executive Independent Director of the Company • Approval of 'Shalimar Paints Limited Employees Stock Option Scheme - 2022'
2020-21	Wednesday 29.09.2021	12:30 P.M.	• NIL
2019-20	Tuesday 29.09.2020	12:30 P.M.	• Re-appointment of Mr. Alok Perti (DIN: 00475747) as Non-Executive Independent Director for a second term of three consecutive years

* Held through Video Conferencing / Other Audio-Visual Means

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

c. Postal Ballot: During the year under review, no resolution has been passed through Postal Ballot. However, during the current year, the Company had passed following special resolution with requisite majority on May 10, 2023 through Postal Ballot, result of which was declared on May 11, 2023:

Appointment of Ms. Shan Jain (DIN: 09661574) as Non-Executive Independent Director of the Company

Approval of the Shareholders was sought vide Special Resolution for appointment of Ms. Shan Jain (DIN: 09661574) as Non-Executive Independent Director of the Company to hold office for a term of three (3) consecutive years on the Board of the Company from February 13, 2023 to February 12, 2026.

Mr. Ankush Agarwal (COP: 14486), Partner of M/s. MAKS & CO., Practicing Company Secretaries, was appointed as the Scrutinizer for carrying out the Postal Ballot voting process through electronic means in a fair and transparent manner.

Procedure adopted for Postal Ballot:

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

The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing remote e-voting facility to all its members.

The Postal Ballot Notice was sent through electronic mode to those Members/ beneficial owners whose names were appearing on the register of members / list of beneficial owners as received from the National Securities Depository Limited and CDSL and whose email addresses were registered with the Company / Depositories. The Company also published notice in the newspapers declaring the details of completion of dispatch, e-voting details and other requirements in terms of the Act read with the Rules issued thereunder and the Secretarial Standards issued by the Institute of Company Secretaries of India. Voting rights of the members were reckoned on the paid-up value of their shares in the total paid-up share capital of the Company carrying voting rights, as on the cut-off date.

The Scrutinizer submitted his report to the Company Secretary of the Company, after the completion of scrutiny and the consolidated results of the voting by postal ballot were then announced on Thursday, May 11, 2023, as authorised by the Board of Directors of the Company. 99.999% of votes were cast in favour and 0.001% of votes were cast against the said resolution.

The results were displayed at the registered office of the Company and on the Company's website at www.shalimarpaints.com and were available on the website of the Stock Exchanges and CDSL.

Further, none of the businesses are proposed to be transacted at the ensuing AGM which requires passing of a Special Resolution through Postal Ballot.

6. Means of Communication

a. Financial Results: The quarterly / half-yearly / annual financial results of the Company are published in the leading English and vernacular newspapers viz. Financial Express and Jansatta. Additionally, the results and other important information are also periodically updated on the Company's website viz. www.shalimarpaints.com, under a separate dedicated section "Investors".

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

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

d. Presentations to Institutional Investors/analysts: The Company holds Analysts' / Investors' Meetings from time to time. The necessary intimation in terms of Regulation 30 of SEBI Listing Regulations along with presentations, audio recordings and transcripts of the said meetings are also intimated to the stock exchanges as well as uploaded on Company's website.

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

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

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

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

7. General Information for Shareholders

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

b. 121st Annual General Meeting:

Venue	:	The 121st AGM of the Company will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram - 122001, Haryana
Date and Time	:	Wednesday, September 27, 2023 at 12:30 P.M.
Remote e-voting period	:	From Sunday, September 24, 2023 (09:00 A.M.) to Tuesday, September 26, 2023 (05:00 P.M.)

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

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

d. Financial Calendar 2023-24:

S. No.	Tentative Schedule	Actual or Tentative Date (on or before as the case may be)
1.	Financial reporting for the quarter ending June 30, 2023	August 11, 2023 (Actual)
2.	Financial reporting for the quarter ending September 30, 2023	November 14, 2023
3.	Financial reporting for the quarter ending December 31, 2023	February 14, 2024
4.	Financial reporting for the year ending March 31, 2024 (Audited)	May 30, 2024
5.	Annual General Meeting for the year ending March 31, 2024	September 30, 2024

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

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

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

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

f. Date of Book Closure: The Share Transfer Books and Register of Members of the Company will remain closed from Thursday, September 21, 2023 to Wednesday, September 27, 2023 (both days inclusive) for the purpose of AGM.

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

h. Listing on Stock Exchanges and Stock Codes: The names and addresses of the stock exchanges at which the equity shares of the Company are listed and the respective stock codes are as under:

1	BSE Limited ("BSE") Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	509874
2	National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G, Bandra-Kurla Complex, Bandra (East), Mumbai - 400 051	SHALPAINTS

The International Securities Identification Number (ISIN) for Dematerialization of Equity Shares is INE849C01026.

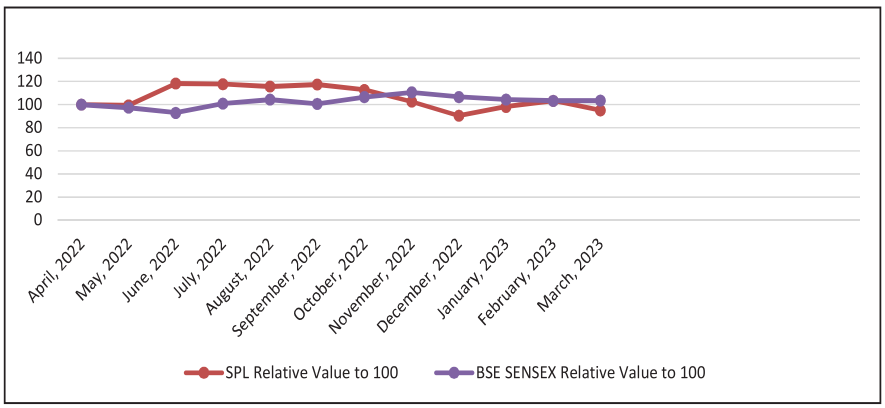
The Company has paid listing fees for the financial year 2023-24 to both the above stock exchanges and there is no outstanding payment as on date.

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

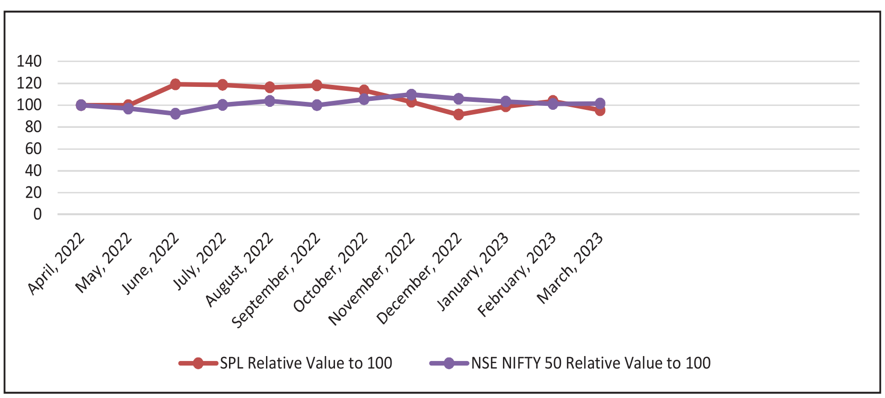
j. Market Price Data: The monthly high and low market prices of the Company's equity shares at BSE and NSE during the financial year 2022-23 are as under:

Month	Share Price at BSE (in Rs.)		Share Price at NSE (in Rs.)	
	High	Low	High	Low
April, 2022	163.50	117.00	163.70	117.20
May, 2022	149.00	121.95	149.35	122.00
June, 2022	172.70	115.15	173.00	114.65
July, 2022	184.40	160.40	184.40	160.35
August, 2022	179.90	149.60	180.00	148.80
September, 2022	179.15	159.90	179.35	160.00
October, 2022	180.00	154.20	180.00	156.35
November, 2022	163.00	145.10	163.10	145.70
December, 2022	152.90	121.55	153.10	123.20
January, 2023	154.05	129.50	154.90	129.70
February, 2023	155.80	136.00	155.60	138.05
March, 2023	161.85	133.60	159.35	133.70

k. Share Performance of the Company in comparison to BSE Sensex



l. Share Performance of the Company in comparison to NSE Nifty 50



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

M/s. Beetal Financial & Computer Services Private Limited

Beetal House, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062

Tel : 011-29961281-283

Fax : 011-29961284

E-mail : beetalrta@gmail.com

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

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

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

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

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

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

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

The Company on a yearly basis files with the Stock Exchanges:

- a compliance certificate duly signed by both, the Compliance Officer of the Company and the authorised representative of the RTA certifying that all activities in relation to share transfer facility is maintained by Beetal Financial & Computer Sevices Private Limited, Registrar and Share Transfer Agent registered with the SEBI.
- a certificate of compliance from a Company Secretary in practice confirming issue of share certificates within a period of 30 days of lodgement of the investor service request as prescribed under Regulation 40(9) of the SEBI Listing Regulations.

p. Dematerialization of shares and its liquidity: As on March 31, 2023, about 99.73% of the total equity share capital of the Company was held in dematerialized form. Since, the Equity Shares of the Company are compulsorily traded in dematerialized form, accordingly, the shareholders holding shares in physical form are requested to contact any of the Depository Participants in their vicinity to get their shares dematerialized at the earliest.

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

q. Reconciliation of Share Capital Audit: The Company gets reconciliation of share capital audit done from a qualified practicing Company Secretary in each quarter to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit report confirms that the total issued / paid up capital is in agreement with the total number of equity shares in physical form and the total number of shares in dematerialised form held with NSDL and CDSL. The Audit Reports for each quarter of the Financial Year 2022-23, have duly been filed with Stock Exchanges within 30 days from the end of the respective quarter.

r. Shareholding as on March 31, 2023:

- Distribution of shareholding as on March 31, 2023:

Category (Amount) From – To	Shareholders		Equity Shares held	
	Number	Percentage	Number	Percentage
Up to 5,000	21,261	95.99	38,75,754	5.37
5,001 - 10,000	435	1.96	16,57,902	2.30
10,001 - 20,000	236	1.07	16,27,313	2.25
20,001 - 30,000	56	0.25	7,02,336	0.97
30,001 - 40,000	27	0.12	4,81,443	0.67
40,001 - 50,000	26	0.12	5,95,610	0.82
50,001 - 1,00,000	43	0.19	15,98,956	2.21
1,00,001 and above	66	0.30	6,16,77,612	85.41
Total	22,150	100.00	7,22,16,926	100.00

- Category of shareholders as on March 31, 2023:

Category	No. of shares	% of Shareholding
Promoters and Promoter Group	2,88,30,828	39.92
Financial Institutions/Banks/Mutual Funds/ Alternate Investment Funds/Insurance Companies	11,72,641	1.62
NRIs/OCBs/FIIs/Foreign Portfolio Investors	8,84,151	1.23
Bodies Corporate	2,08,26,597	28.84
Indian Public/Trust/Others	2,05,02,709	28.39
Total	7,22,16,926	100.00

s. Outstanding Warrants or any Convertible Instruments, conversion dates and likely impact on equity : During the financial year ended March 31, 2022, the Company has raised funds by way of allotment of 30,55,556, 9% optionally convertible debentures ("OCDs") having face value of Rs. 180/- each, for cash at a price of Rs. 180/- per OCD, aggregating to Rs. 55 Crore to Hella Infra Market Private Limited, not being a part of the promoter or promoter group of the Company. The Investor shall, at its sole discretion, have the right (but not an obligation) to convert the OCDs into equity shares, on or before 18 months from the date of allotment of aforesaid OCDs, which shall be convertible into equity shares of the Company at a conversion price of Rs. 180/- per equity share. The details of the same are mentioned in point (t) below.

Further, during the financial year ended March 31, 2023, the Company has, on April 13, 2022, issued and allotted 1,14,94,252 warrants, each carrying a right to subscribe to 1 fully paid up equity share of the Company having a face value of Rs. 2/- at a price of Rs. 130.50, with a right exercisable by the warrant holders to subscribe for One (1) Equity Share per warrant within 18 months. The details of the same are mentioned in point (t) below.

t. Details of utilization of funds raised through preferential allotment or qualified institutional placement: During the financial year 2021-22, the Company has raised funds amounting to Rs. 270,00,00,120/- comprising of:

- Rs. 215,00,00,040/- received on allotment of 1,79,16,667 equity shares of face value of Rs. 2/- each fully paid-up, for cash at an issue price of Rs. 120/- per Share (including premium of Rs. 118/- per Equity Share) to Hella Infra Market Private Limited. The Company had utilised Rs. 1,40,80,39,006/- till March 31, 2023 out of the funds so raised through issue of aforesaid equity shares to strengthen Company's balance sheet and have access to long term resources to meet its growth requirements.
- Rs. 55,00,00,080/- received on allotment of 30,55,556, 9% optionally convertible debentures ("OCDs") having face value of Rs. 180/- for cash at a price of Rs. 180/- per OCD to Hella Infra Market Private Limited. The Company has not utilised any amount out of the funds so raised through issue of aforesaid OCDs till March 31, 2023.

During the financial year 2022-23, the Company has made allotment of 1,14,94,252 warrants, each carrying a right to subscribe to 1 fully paid-up equity share of the Company having a face value of Rs. 2/- at a price of Rs. 130.50 each, upon receipt of subscription money i.e. Rs. 37,49,99,971.50, which is equivalent to 25% of total consideration as per the terms of preferential issue, to the following entities:

Sl. No.	Name of allottee	No. of warrants allotted
1.	Virtuous Tradecorp Private Limited, a member of the promoter group of the Company	30,65,134
2.	JSL Limited, a member of the promoter group of the Company	26,81,992
3.	Hella Infra Market Private Limited, an existing shareholder of the Company which is disclosed as a public shareholder	57,47,126
Total		1,14,94,252

As per the terms of issue of Warrants, the Company has received 25% of the issue price at the time of allotment and balance 75% of the issue price will be received upon exercise of the option of conversion of warrants into equity shares which would become due on or before 18 months from the date of allotment of Warrants. The Company had not utilised any amount out of the funds so raised through issue of aforesaid warrants till March 31, 2023.

No funds were raised by the Company by way of Qualified Institutional Placement during the financial year 2022-23.

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

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

v. Address for Correspondence:

For transfer/ dematerialization of shares, payment of dividend and any other query relating to shares	Beetal Financial & Computer Services Private Limited Beetal House, 3rd Floor, 99, Madangir, behind LSC, New Delhi – 110062 Tel : 011-29961281-283 Fax : 011-29961284 E-mail : beetalrta@gmail.com
For investor's assistance	Shalimar Paints Limited, Secretarial Department, 1st Floor, Plot No. 28, Sector 32, Gurugram, Haryana - 122001 Tel : 0124-4616600 Fax : 0124-4616659 E-Mail : askus@shalimarpaints.com Website: www.shalimarpaints.com

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

8. Other Disclosures

a. Related Party Transactions: During the financial year 2022-23, the Company has not entered into any transaction of material nature with the related parties that may have any potential conflict with the interests of the Company.

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

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

b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years: During FY 2021-22, BSE Limited imposed a fine amounting to Rs. 22,000 for non-submission of the statement on shareholder complaints for quarter ended December 31, 2021 with BSE within the time period prescribed under Regulation 13(3) of SEBI Listing Regulations. The Company made the required filing with BSE on February 14, 2022. Further, the Company had requested for waiver of fine imposed by BSE as Nil Investors Complaint Report was submitted by the Company on NEAPS on January 18, 2021, however, the filing of NIL complaints was inadvertently missed in the Compliance module on BSE due to technical and other issues. Pending such request, the Company had paid the fine with BSE.

   During FY 2022-23, for non-compliance with the constitution of NRC as prescribed under Regulation 19(2) of SEBI Listing Regulations, NSE Limited has imposed fine of Rs. 72,000 for quarter ended 31.03.2022 and Rs. 1,82,000 for quarter ended 30.06.2022; and BSE Limited has imposed fine of Rs. 2,54,000 for quarter ended 30.06.2022 on the Company. Inadvertently, the details of NRC Chairman were filed incorrectly in Corporate Governance Report ("CGR") for the quarter ended 31.03.2022. The same XBRL utility was used for filing the CGR for quarter ended 30.06.2022 and therefore, the same mistake was repeated. The Company had made revised CGR filings with BSE and NSE for the quarter ended 31.03.2022 and 30.06.2022. The Company had made submissions to BSE & NSE and had requested for waiver of fines imposed by BSE and NSE. After considering the Company's submissions, NSE has reversed the fine amounting to Rs. 72,000 for the quarter ended 31.03.2022. Rest of the waiver requests are under consideration by BSE and NSE.

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

c. Vigil Mechanism/ Whistle Blower Policy: The Company has formulated a Whistle Blower Policy ("WBP") in accordance with the requirements of Section 177(9) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, Regulation 22 of the SEBI Listing Regulations and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015. The WBP provides for establishment of vigil mechanism for directors and employees to report genuine concerns or grievances. It encourages all employees, directors and business partners to report any suspected violations promptly and intends to investigate any bona-fide reports of violations. It also specifies the procedures and reporting authority for reporting unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy or any other unethical or improper activity including financial irregularities, including fraud, or suspected fraud, wastage / misappropriation of Company's funds/assets etc. The WBP also provides for adequate safeguards against victimization of employees and directors who avail the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee, in exceptional cases. The WBP has also been uploaded on Company's website at the following link: https://www.shalimarpaints.com/uploads/Whistle_Blower_Policy.pdf

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

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

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

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

f. Dividend Distribution Policy: The Company has formulated a Dividend Distribution Policy in accordance with the requirements of Regulation 43A of SEBI Listing Regulations, which may be accessed on the Company's website at the link: https://www.shalimarpaints.com/uploads/Dividend_Distribution_Policy.pdf.

g. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are mentioned in the Directors' Report.

h. Disclosure by listed entity and its subsidiaries of loans and advances in the nature of loans to firms/companies in which directors are interested: Nil

i. Fees paid to Auditors and firms / entities in its network: The shareholders at its 120th Annual General Meeting ("AGM") had appointed M/s. Walker Chandiok & Co. LLP, Chartered Accountants (ICAI Firm Registration No.001076N/N500013) as Statutory Auditors of the Company for a term of five years until the conclusion of 125th AGM of the Company. The Company has made payment of Rs. 28.12 Lacs to the Statutory Auditors for all the services availed by the Company during FY 2022-23.

   During the period under review, no services were availed by the subsidiaries of the Company from the statutory auditors of the Company. Further, no services were availed by the company/subsidiaries from the network firm/entity of the statutory auditors during the period under review.

j. Credit Ratings: The Company has been accorded credit rating of 'CARE BBB-, Stable' for long term bank facilities and 'CARE A3' for short term bank facilities by CARE Ratings Limited on June 03, 2022, which was reaffirmed on March 03, 2023.

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

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

m. Compliance with mandatory requirements and adoption of non-mandatory requirements:

   - Mandatory requirements: The Company has complied with all mandatory requirements of the SEBI Listing Regulations with regard to corporate governance. M/s. NSP & Associates, have certified that the Company has complied with the mandatory requirements of corporate governance as stipulated under Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2) and para C, D & E of Schedule V of the SEBI Listing Regulations for the financial year ended March 31, 2023.
   - Non-mandatory requirements: The status on the compliance with the non-mandatory recommendations/ discretionary requirements as specified in Part E of Schedule II to the SEBI Listing Regulations is as under:

     i. The Company has separate posts of Chairman and Managing Director.

     ii. Shareholders' rights: The quarterly / half-yearly / annual financial results, after approval of the Board of Directors, are uploaded electronically on the website of NSE & BSE via NEAPS/NDP Portal and BSE Listing Centre respectively, published in the newspapers as mentioned under the heading "Means of Communication" at Sl. No. 6 above and also displayed on the Company's website viz. https://www.shalimarpaints.com. The results are not separately circulated to the shareholders.

     iii. Modified opinion(s) in audit report: The Company is in the regime of unmodified audit opinion on financial statements.

     iv. Reporting of Internal Auditors: The Internal Auditors of the Company report directly to the Audit Committee.

n. Disclosure of the compliance with corporate governance requirements as specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations: During the financial year 2022-23, the Company has duly complied with all the provisions mentioned under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Listing Regulations.

9. Other Information

a. CEO/CFO Certification: The Managing Director and Chief Financial Officer have certified, in terms of Regulation 17(8) read with Part B of Schedule II of the SEBI Listing Regulations, to the Board that the Financial Statements present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards. The said certification on the Financial Statements, internal control and the Cash Flow Statement for the financial year 2022-23 is annexed as **Annexure-I** and forms part of this Report. The Managing Director and Chief Financial Officer also give quarterly certificate on the financial results while placing the same before the Board in terms of the Regulation 33(2) of the SEBI Listing Regulations.

b. Risk Management Framework: The Company has in place mechanism to inform Board members about the risk assessment and minimization procedures and periodically reviews the same.

c. Certificate from Company Secretary in Practice: A Certificate has been received from M/s. NSP & Associates, Practising Company Secretaries, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, Ministry of Corporate Affairs, or any such other Statutory Authority. The Certificate is annexed as **Annexure - II** and forms part of this Report.

d. Code of Conduct**:** The Company has laid down a Code of Conduct for the Board members and Senior Management Personnel of the Company. All Board members and the senior management personnel of the Company have affirmed compliance with the said Code for the financial year ended March 31, 2023. The said Code of Conduct is also available on the Company's website at the following link: https://www.shalimarpaints.com/uploads/Code_Of_Conduct.pdf. The declaration of the Managing Director of the Company in this regard is given below:

DECLARATION ON CODE OF CONDUCT

To

The Shareholders of Shalimar Paints Limited

I hereby declare that for the financial year ended March 31, 2023, all the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code of Conduct, as adopted by the Board of Directors.

Ashok Kumar Gupta
Managing Director
DIN: 01722395

Dated: August 11, 2023
Place: Gurugram

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Shalimar Paints Ltd.

We have examined the compliance of conditions of Corporate Governance by Shalimar Paints Limited (“the Company”), for the year ended on March 31, 2023, as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”).

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI LODR Regulations during the year ended on March 31, 2023.

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

For **NSP & Associates**
Company Secretaries

Naveen Shree Pandey
(Proprietor)
FCS No. 9028
C.P. No. 10937
UDIN:F009028E000886047
Peer Review Certificate No: 1797/2022

Place: Noida, UP
Date: 11th August, 2023

Annexure - I

Certificate from Managing Director and Chief Financial Officer

(Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To
The Board of Directors
Shalimar Paints Limited

We do hereby confirm and certify that:

a) We have reviewed financial statements and the cash flow statement of Shalimar Paints Limited ("the Company") for the financial year ended March 31, 2023 and that, to the best of our knowledge and belief:

   i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and

   ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee deficiencies in the design or operation of such internal controls, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

   i) significant changes in internal control over financial reporting during the year;

   ii) significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   iii) there has not been any instance, during the year, of significant fraud of which we had become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **Shalimar Paints Limited**

Place: Gurugram
Dated: May 27, 2023

Ashok Kumar Gupta
(Managing Director)

Mohit Kumar Donter
(Chief Financial Officer)

Annexure - II

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para-C Sub clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of Shalimar Paints Ltd.
(CIN: L24222HR1902PLC065611)
Stainless Centre, 4th Floor,
Plot No. 50, Sector 32,
Gurugram - 122001

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Shalimar Paints Ltd. having CIN: L24222HR1902PLC065611 and registered office at Stainless Centre, 4th Floor, Plot No. 50, Sector 32, Gurugram - 122001, Haryana (hereinafter referred to as **'the Company'**), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S. No.	Name of Director	DIN	Date of Appointment in Company
1.	Dr. Rajeev Uberoi	01731829	11/05/2021
2.	Mr. Abhyuday Jindal	07290474	08/03/2022
3.	Mr. Souvik Pulakesh Sengupta	07248395	24/02/2022
4.	Mr. Ashok Kumar Gupta	01722395	10/08/2018
5.	Mr. Alok Perti$	00475747	30/06/2020
6.	Mr. Vijay Kumar Sharma	01468701	05/10/2020
7.	Mr. Sanjiv Garg	00428757	10/08/2022
8.	Ms. Shan Jain	09661574	13/02/2023

$ Ceased to be Director of the Company w.e.f. June 29, 2023.

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **NSP & Associates**

Naveen Shree Pandey
(Proprietor)
Membership No.: FCS-9028
CP No.: 10937
UDIN:F009028E000885904
Peer Review Certificate No:1797/2022

Place: Noida, UP
Date: 11th August, 2023

Business Responsibility and Sustainability Report

BRSR Overview

Section A: General Disclosures

Section B: Management and Process Disclosures

Section C: Principle-wise Performance Disclosure

Principle 1	Businesses should conduct and govern themselves with integrity and in a manner that is ethical, transparent, and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

SECTION A: GENERAL DISCLOSURES

I. Details of the Company:

1.	**Corporate Identity Number (CIN) of the Company**	L24222HR1902PLC065611
2.	**Name of the Company**	Shalimar Paints Limited ("SPL/the Company")
3.	**Year of Incorporation**	1902
4.	**Registered office address**	Stainless Centre, 4th Floor, Plot No. 50, Sector - 32, Gurugram, Haryana - 122001
5.	**Corporate office address**	1st Floor, Plot No. 28, Sector - 32, Gurugram, Haryana - 122001
6.	**E-mail**	askus@shalimarpaints.com
7.	**Telephone**	0124-4616600
8.	**Website**	www.shalimarpaints.com
9.	**Financial year for which reporting is being done**	2022-23
10.	**Name of the Stock Exchange(s) where shares are listed**	National Stock Exchange of India Limited (NSE) BSE Limited (BSE)
11.	**Paid-up Capital**	Rs. 1,444.34 lakhs
12.	**Name and contact details (telephone, email address) of the person for BRSR Reporting**	Name: Shikha Rastogi Designation: Company Secretary Tel No. 0124-4616600 E-mail: shikha.rastogi@shalimarpaints.com
13.	**Reporting boundary**	All the disclosures under this report are made on a standalone basis for Shalimar Paints Limited.

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Shalimar Paints is engaged in the business of developing, manufacturing, marketing, and widespread distribution of a diverse array of paints and coatings, catering to a wide spectrum of customers.	**95%**

15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacturing (Emulsion, Enamels, Distemper, Primer, Epoxy, Marine Coats, Zinc Rich Coatings, Aluminum)	39073010	**95%**

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	4	2	6
International	0	0	0

17. Markets served by the entity:

a) Number of locations:

Locations	Number
National (No. of States)	21
International (No. of Countries)	4

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The exports contribute 2% of the total turnover of the entity.

c. A brief on types of customers:

Shalimar Paints has been established as a prominent player in the industry, catering to a wide array of customers across various sectors. With a strong commitment to quality, innovation, and customer satisfaction, the company has successfully secured customers from diverse sectors, including Building and Construction, Sugar Industries, Airlines, Railways, Retail Outlets, Hotels (Hospitality Industry), and the Power sector.

IV. Employees

18. Details as of the end of the Financial Year:

a) Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1.	Permanent (D)	640	609	95.16%	31	4.84%
2.	Other than Permanent (E)	69	55	79.71%	14	20.29%
3.	Total employees (D + E)	709	664	93.65%	45	6.35%
	WORKERS					
4.	Permanent (F)	62	62	100%	0	0
5.	Other than Permanent (G)	427	405	94.85%	22	5.15%
6.	Total workers (F + G)	489	467	95.50%	22	4.50%

b. **Differently abled Employees and workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D + E)	0	0	0	0	0
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	1	1	100%	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	Total differently abled workers (F + G)	1	1	100%	0	0

19. **Participation/Inclusion/Representation of women:**

Particulars	Total	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.50%
Key Management Personnel	3	1	33.33%

20. **Turnover rate for permanent employees and workers:**

Particulars	FY 2023			FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	22.30%	22.60%	22.30%	20.90%	30.60%	21.50%	23.50%	17.20%	23.20%
Permanent Workers	1.61%	0%	1.61%	0%	0%	0%	4.84%	0%	4.84%

V. Holding, Subsidiary, and Associate Companies (including joint ventures)

21. (a) **Names of holding / subsidiary / associate Companies / joint ventures**

S. No.	Name of the holding/ subsidiary/associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Shalimar Adhunik Nirman Limited	Subsidiary	99.99%	No
2	Eastern Specialty Paints & Coatings Private Limited	Subsidiary	100%	No

VI. CSR Details:

22. (i) **Whether CSR is applicable as per section 135 of the Companies Act, 2013:(Yes/No) – No***

(ii) **Turnover (in Rs.):** Rs. 4,83,68,67,331

(iii) **Net worth (in Rs.):** Rs. 2,27,92,62,181

** Shalimar Paints does not fall under the obligation of CSR as per Section 135 of the Companies Act, 2013*

VII. Transparency and Disclosures Compliances:

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	**Grievance Redressal Mechanism in Place (Yes/No)** *(If yes, then provide web-link for grievance redress policy)**	**FY 2023**			**FY 2022**		
		Number of complaints filed during the year	**Number of complaints pending resolution at close of the year**	**Remarks**	**Number of complaints filed during the year**	**Number of complaints pending resolution at close of the year**	**Remarks**
Communities	Yes	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholders)	Yes	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	Yes	3	0	NIL	0	0	NIL
Employees	Yes	NIL	NIL	NIL	NIL	NIL	NIL
Customers (decorative+ industrial)	Yes	499	74	NIL	307	59	NIL
Value Chain Partners	Yes	289	260	NIL	NIL	NIL	NIL
Others (please specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

*All the stakeholders' complaints are registered through (askus@shalimarpaints.com) the given email-id which is provided to all the stakeholders to raise any complaints or concerns.

24. Overview of the entity's material responsible business conduct issues:

S. No.	**Material issue identified**	**Indicate whether risk or opportunity (R/O)**	**Rationale for identifying the risk/ opportunity**	**In case of risk, approach to adapt or mitigate**	**Financial implications of the risk or opportunity (Indicate positive or negative implications)**
1.	Waste Management	Risk	Implementing meticulous measures for managing hazardous waste during business operations is crucial to safeguard the health and well-being of employees and to protect the surrounding environment from potential threats.	• Implementing a comprehensive waste management plan • Regularly monitoring waste management practices and conducting internal audits to identify areas of improvement and better compliance with waste handling regulations. • Emergency response preparedness, a contingency action plan to address emergency situations and mitigate them. • Adhering to safe design plan, and standards pertaining to Occupational Health and Safety.	**Negative** • Potential costs related to fines/ penalties for non-compliance with waste disposal regulations • Environmental contamination due to improper waste disposal • Impacting health of employees/ workers and community nearby.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Water Management	Risk	As Paint manufacturing requires significant amount of water, its proper usage and disposal is very much critical. The used water or wastewater needs proper disposal in compliance with environmental regulations for treated wastewater disposal.	• Conducting Water Audit to monitor and regulate water consumption and identify inefficiencies. • Implementing systems to treat and recycle wastewater • Upgrading the equipment and processes to minimize water consumption and wastage • Implementing effective wastewater treatment systems to meet regulatory standards before discharge, to prevent pollution of water bodies.	**Negative** • Potential costs related to fines/ penalties for non-compliance with wastewater treatment and disposal regulations. • Public health cost. Contaminated water may lead to health issues, such as waterborne diseases.
3.	Health and Safety	Risk and Opportunity	**Risk:** Working with harmful chemicals, substances and machinery during paint manufacturing, may expose workers to various health risks, bodily injuries, and complications, if not handled correctly. **Opportunity:** Implementing proactive health and safety practices to reduce accident-related costs, and potential legal expenses. Focus on health and safety can help in better innovation in manufacturing process, leading to improved efficiency.	• Conducting a comprehensive risk assessment to identify potential health and safety hazards in the manufacturing process, storage, and handling raw materials. • Implementing safety related mandatory trainings for every worker, contractor, and visitors, to ensure their safety and aware them on potential risks and safe working practices.	**Positive** • Decreased work-related injuries and incidents. • A safe and healthy work environment can increase productivity. • Improve brand image and reputation **Negative** • Non-compliance with health and safety regulations can lead to fines/penalties or legal expenses. • Increase in work related accidents leads to disruption in operations which leads to production delay and associated costs.
4.	GHG Emissions	Risk	GHG emissions contribute to climate change and global warming. As a company manufacturing paint, often emits significant amount of GHG, which can exacerbate environmental changes. Strict regulations and targets are imposed to reduce GHG emissions, for which strict compliance is needed.	• Conducting comprehensive assessments to identify and quantify the sources and levels of GHG emissions. • Improving energy efficiency to reduce emissions.	**Negative** • Non-compliance with emission standards can lead to fines/ penalties.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Human Rights	Opportunity	By prioritizing and upholding Human rights, the company can enhance its reputation as a socially responsible and ethical organization. Adhering to human rights standards helps in meeting regulatory requirements and avoid potential legal issues.	• Providing trainings to employees and workers on human rights issue. • Establishing robust grievance redressal mechanism to address concerns/issues. • Committing to continuously improve, by regularly reviewing and updating human rights policy and strategies.	**Positive** • Respecting Human Rights enhances company's ethical image, boost employee morale, enhance customer supplier relationships and supports sustainable growth.
6.	Code of Conduct	Opportunity	A well-defined code of conduct can enhance brand image, by demonstrating ethical practices and responsible behavior. This ensures the company's compliance with relevant laws and regulations.	• Regularly reviewing and improving code of conduct policy. • Implementing training programs for all employees to ensure better and ethical conduct from all. • Conducting internal audits to identify and address any potential compliance issues or gaps.	**Positive** • Good governance practices such as transparency, accountability, and strong ethical guidelines can instill confidence in investors. • Long-term benefits
7.	Chemical Safety and Management	Risk and Opportunity	**Risk:** Working with various chemicals poses significant risk for paint manufacturing company. It may lead to safety hazards for employees and potential environmental risks if not handled properly. **Opportunity:** Prioritizing chemical safety implements best practices, drives the company to invest in R&D to produce paints with reduced or no-harmful chemicals. Good management can also reduce the risk of accidents, environmental impacts and contributes to long-term sustainability and profitability.	• Robust safety protocols for handling, storing, and disposal of chemicals. • Regular training and awareness on safe-practices and emergency procedures. • Conducting thorough assessments of suppliers to ensure their safety and environment standards. • Establishing proper waste management procedures for chemical by-products. • Seeking external certifications and adhering to industrial standards related to chemical safety and responsible management.	**Negative** • Accidents, spills or improper disposal of chemicals can result in regulatory fines, legal liabilities, can cause financial implications. • Non-compliance with regulations can result in fines, penalties and legal actions. **Positive** • Emphasizing chemical safety and responsible management enhances the company's brand image, portraying it as a socially responsible organization, this would lead to increased customer loyalty, positive media coverage and support from stakeholders.

SHALIMAR PAINTS

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and Management processes									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
c. Web Link of the Policies, if available	SPL's policies relating to our external stakeholders can be viewed on the website at https://www.shalimarpaints.com. Our policies relating to our employees, internal stakeholders are available on Company's intranet.								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	N	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	N	Y	Y
4. Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle	ISO 9001:2015 Quality Management System ISO 140001:2015 Environmental Management System ISO 45001:2018 Occupational Health and Safety Management System ISO/IEC 17025:2017 Accredited Laboratory								
5. Specific commitments, goals, and targets set by the entity with defined timelines, if any	The entity is in the process of finalizing its ESG goals and targets w.r.t. the above 9 principles								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met	The goals are being finalized, and hence the performance will be reported in the subsequent years.								

Governance, leadership and oversight

7. **Statement by the director responsible for the business responsibility report, highlighting ESG-related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).**

   With a commitment to sustainability, Shalimar Paints recognizes its responsibility to the planet and future generations. Guided by the enduring philosophy of 'People-First,' the company seamlessly integrates sustainability into its core business decisions. By fostering efficiency and long-term value creation, Shalimar Paints seeks to mitigate environmental, social, and governance impacts, ensuring a brighter tomorrow. The Company firmly believes that inclusivity and collaboration with all stakeholders are essential for implementing effective sustainability measures. United by a shared sense of purpose, Shalimar Paints empowers its workforce to strive for better outcomes, embracing the vision of 'Together for a Better Tomorrow.' Guided by robust ESG principles, the company continuously endeavors to reduce its carbon footprint, enhance social impact, and uphold integrity and transparency in all operations. Upholding the belief that sustainability is not just an option but a crucial pillar for growth and success, Shalimar Paints places significant emphasis on social impact, striving to enhance the lives of its employees and the communities it serves.

8. **Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy(ies).**

   The Board/Managing Director is responsible for the implementation and oversight of the Business Responsibility Policy(ies).

   Name - Mr. Ashok Kumar Gupta

   Designation - Managing Director

   Email ID - ashok.gupta@shalimarpaints.com

9. **Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability-related issues? (Yes / No). If yes, provide details.**

   Yes, the company's risk management committee adheres to a risk management policy that encompasses a structured approach to identifying both internal and external risks associated with sustainability, with a particular focus on environmental, social, and governance (ESG) related risks.

10. **Details of Review of NGRBC's by the Company:**

Subject for Review	**Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee**								
	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Subject for Review	**Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)**								
	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
Performance against above policies and follow-up action	Yes, as a practice, the policies of the Company are reviewed on a need basis. During this assessment, the efficacy of the policies is reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The policies are regularly evaluated on their compliance with statutory requirements of relevant principles.								

	P 1	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
11. Has the Company carried out an independent assessment/ evaluation of the working of its policies by an external agency?	The company internally evaluates the working of the policies on a regular basis.								

12. If the answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	**P 1**	**P 2**	**P 3**	**P 4**	**P 5**	**P 6**	**P 7**	**P 8**	**P 9**
The entity does not consider the principles material to its business (Yes/No)							No		
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	NA						No	NA	
The entity does not have the financial or/human and technical resources available for the task (Yes/No)							No		
It is planned to be done in the next financial year (Yes/No)							Yes		
Any other reason (please specify)							-		

* The independent assessment of the processes and compliance measures is planned to be carried out in the next financial year.

SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent, and Accountable

Essential Indicators

1. **Percentage coverage by training and awareness programs on any of the principles during the financial year:**

Segment	**Total number of training and awareness programmes held**	**Topics/principles covered under the training and its impact**	**% of persons in respective category covered by the awareness programmes**
Board of Directors	1	Vigil mechanism	100%
Key Managerial Personnel	4	Vigil mechanism, Health and Safety, Skill Upgradation, Teamwork and team effectiveness	100%
Employees other than BoD and KMPs	15	Health and Safety, Behavior Based Safety, Skill Upgradation,Teamwork and team effectiveness, Product training and selling skills	100%
Workers	5	5 'S' training, Ergonomists Behavior, Time Management, Know your Machine, My area my responsibility	100%

2. **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by its directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2022-23 (Note: the entity shall make disclosures based on materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website)**

Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Monetary					
Penalty/ Fine	Principle 5	NSE/BSE	Fine imposed by NSE for the quarter ended on 31.03.2022 amounting to Rs. 72,000. For the subsequent quarter ending on 30.06.2022, NSE imposed a fine of Rs. 1,82,000. BSE Limited imposed fine of Rs. 2,54,000 for the quarter ended on 30.06.2022.	Non-compliance with the constitution of Nomination and Remuneration Committee ("NRC") : Inadvertently, the details of NRC Chairman were filed incorrectly in Corporate Governance Report ("CGR") for the quarter ended 31.03.2022. The same XBRL utility was used for filing the CGR for quarter ended 30.06.2022 and therefore, the same mistake was repeated. The Company had made revised CGR filings with BSE & NSE for the quarter ended 31.03.2022 and 30.06.2022. The Company had made submissions to BSE & NSE and had requested for waiver of fines imposed by BSE & NSE. After considering the Company's submissions, NSE has reversed the fine amounting to Rs. 72,000 for the quarter ended 31.03.2022. Rest of the waiver requests are under consideration by BSE & NSE.	Yes, the Company had made submissions to BSE & NSE and had requested for waiver of fines imposed by BSE & NSE. After considering the Company's submissions, NSE has reversed the fine amounting to Rs. 72,000 for the quarter ended 31.03.2022. Rest of the waiver requests are under consideration by BSE & NSE.
Settlement	Nil				
Compounding fee	Nil				
Non-Monetary					
Particulars	**NGRBC Principle**	**Name of the regulatory/ enforcement agencies/judicial institutions**		**Brief of the Case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	NA				
Punishment					

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
The Company had made submissions to BSE & NSE and had requested for waiver of fines imposed by BSE & NSE. After considering the Company's submissions, NSE has reversed the fine amounting to Rs. 72,000 for the quarter ended 31.03.2022. Rest of the waiver requests are under consideration by BSE & NSE.	NSE and BSE

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web link to the policy.**

   Shalimar Paints covers its Anti-Corruption and Anti-Bribery policy under the Code of Conduct Policy which is available on Intranet, which offers a formal mechanism for all employees to raise their voices on unethical behavior, actual or suspected fraud or flag any violations of the Company's Code of Conduct.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

Segment	FY 2023	FY 2022
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. **Details of complaints with regard to conflict of interest:**

Particulars	FY 2023		FY 2022	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	No complaints received		No complaints received	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. **Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.**

   Not Applicable, since there were no fines, penalties, or action taken by regulators, law enforcement agencies or judicial institutions on cases of corruption and conflict of interest.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of products and processes to total R&D and capex investments made by the entity, respectively.**

Particulars	FY 2023	FY 2022	Details of improvements in environmental and social impacts
Research & Development	0.64%	0.32%	The Company has inhouse R&D facility, where team of scientists are working on technologies for sustainable products. Some of the initiatives are: • Development of high volume solid products. • Development of environment friendly water-based products. • Formulating direct-to-metal products that significantly decrease the necessity for multiple layers of applied paint.
Capex	21%	0%	

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

   At Shalimar Paints, we recognize the importance of sustainable sourcing in today's business landscape. While we currently do not have specific procedures in place for sustainable sourcing, we are committed to taking proactive steps toward implementing such procedures in the future.

   b. **If yes, what percentage of inputs were sourced sustainably?**

   Not Applicable.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste, and (d) other waste.**

   Shalimar Paints waste management practices reflect our commitment to environmental responsibility. Firstly, we ensure the proper disposal of plastic waste by sending it to a reputable recycling facility. Secondly, any electronic waste (E-waste) that is generated is diligently forwarded to an authorized recycler to ensure its safe and sustainable handling. Moreover, we take all necessary steps to comply with hazardous waste disposal regulations, possessing the required authorization from respective State Pollution Control

Board (PCBs) and entrusting the disposal to respective state PCBs Authorized vendors. Lastly, waste items like cardboard cartons and bags are also sent to recycling facilities, demonstrating our holistic approach to waste reduction and promoting a greener, more sustainable future.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Yes, EPR is applicable to our activities pertaining to plastic packaging production. Shalimar Paints has aligned the waste collection plan w.r.t., EPR guidelines It includes the following components: a) Setting up collection infrastructure b) Awareness programs c) Tie-ups with waste management agencies d) Reporting and compliance

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. **Details of measures for the well-being of employees:**

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Employees											
Male	609	609	100%	609	100%	0	0%	0	0%	0	0%
Female	31	31	100%	31	100%	31	100%	0	0%	0	0%
Total	640	640	100%	640	100%	31	4.84%	0	0%	0	0%
Other than Permanent Employees											
Male	55	55	100%	55	100%	0	0%	0	0%	0	0%
Female	14	14	100%	14	100%	14	100%	0	0%	0	0%
Total	69	69	100%	69	100%	14	20.29%	0	0%	0	0%

1.b. Details of measures for the well-being of workers:

Category	Total (A)	% of Workers covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
Permanent Workers											
Male	62	62	100%	62	100%	0	0%	0	0%	0	0%
Female	0	0	0	0	0	0	0%	0	0%	0	0%
Total	62	62	100%	62	100%	0	0%	0	0%	0	0%
Other than Permanent Workers											
Male	405	397	98%	397	98%	0	0%	0	0%	0	0%
Female	22	22	100%	22	100%	0	0%	0	0%	0	0%
Total	427	419	98%	419	98%	0	0%	0	0%	0	0%

2. **Details of retirement benefits, for Current and Previous Financial Year.**

Category	FY 2023			FY 2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority(Y/N/N.A.)
PF	99.84%	100%	Yes	99.81%	100%	Yes
Gratuity	99.84%	100%	NA	99.84%	100%	NA
ESI	1.09%	100%	Yes	1.31%	100%	Yes

Note- PF and Gratuity does not extend to Managing Director.

3. **Accessibility of workplaces - Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.**

Yes, Shalimar Paints premises are accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016. We promote an inclusive workplace to support every employee and towards this end, all the necessary measures are undertaken to make our premises equipped with amenities to make it more accessible.

4. **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web link to the policy.**

Yes, the company functions as an 'equal opportunity employer' and maintains a policy of equal opportunities. This policy is included in the company's Code of Conduct, which can be accessed on the company's intranet.

5. **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent Employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	NA	NA
Female	100%	100%	NA	NA
Total	100%	100%	NA	NA

6. **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

Particulars	Yes/No
Permanent Employees	Yes
Other than Permanent Employees	Yes
Permanent Workers	Yes
Other than Permanent Workers	Yes

The redressal mechanism is as follows:

Yes, the company has established a grievance redressal mechanism for its workforce to receive and address their concerns. SPL has a dedicated email channel, hrd@shalimarpaints.com, which is accessible to all to raise any complaints/ issues, which provides direct access to the top management and the Chief Human Resources Officer (CHRO). Additionally, a specialized committee is in place to handle matters related to the Prevention of Sexual Harassment (POSH).

7. **Membership of employees and workers in association(s) or Unions recognized by the listed entity:**

<table>
<tr><th rowspan="2">Category</th><th colspan="3">FY 2023</th><th colspan="3">FY 2022</th></tr>
<tr><th>Total employees / workers in respective category (A)</th><th>No. of employees /workers in respective category, who are part of association(s) or Union (B)</th><th>%(B/A)</th><th>Total employees / workers in respective category (C)</th><th>No. of employees /workers in respective category, who are part of association(s) or Union (D)</th><th>%(D/C)</th></tr>
<tr><td>Total Permanent Employees</td><td colspan="6" rowspan="6">No, Shalimar Paints do not have a workforce union either for employees or workers.</td></tr>
<tr><td>Male</td></tr>
<tr><td>Female</td></tr>
<tr><td>Total Permanent Workers</td></tr>
<tr><td>Male</td></tr>
<tr><td>Female</td></tr>
</table>

8. Details of training given to employees and workers:

Category	FY 2023					FY 2022				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	664	664	100%	384	58%	548	548	100%	342	62%
Female	45	45	100%	25	56%	48	48	100%	25	52%
Total	709	709	100%	409	58%	596	596	100%	367	62%
Workers										
Male	467	467	100%	467	100%	432	432	100%	432	100%
Female	22	22	100%	22	100%	18	18	100%	18	100%
Total	489	489	100%	489	100%	450	450	100%	450	100%

9. Details of performance and career development reviews of employees and workers:

Category	FY 2023			FY 2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	664	664	100%	548	548	100%
Female	45	45	100%	48	48	100%
Total	709	709	100%	596	596	100%
Workers						
Male	62	62	100%	62	62	100%
Female	0	0	0	0	0	0
Total	62	62	100%	62	62	100%

10. Health and Safety Management System:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage of such a system?

- The organization has successfully introduced a comprehensive Health and Safety Management System, which encompasses several key components to ensure a secure and healthy working environment for its employees. These components include:
  - **A robust EHS Policy:** The entity has established a strong and well-defined Environment, Health, and Safety (EHS) policy, outlining its commitment to maintaining high standards of safety and environmental responsibility throughout its operations.
  - **Safety work permit system:** To maintain strict control over potentially hazardous work activities, the entity has implemented a meticulous safety work permit system. This system covers various types of work, such as general work, hot work, confined space work, and solvent unloading, ensuring that each task is carefully assessed for potential risks and safety measures are in place before work commences.
  - **VOC Monitoring system in the workplace:** The organization has put in place a state-of-the-art Volatile Organic Compounds (VOC) monitoring system within its premises. This system continuously monitors the presence of harmful airborne substances, allowing for prompt detection and swift action in case of any alarming levels.
  - **Annual EHS Audit:** As part of its ongoing commitment to maintaining the highest EHS standards, the entity conducts an annual Environmental, Health, and Safety (EHS) audit. This thorough assessment ensures that all safety protocols and environmental regulations are being followed diligently and identifies areas for improvement, leading to continuous enhancement of safety practices.
  - **Capturing and reducing spillage in the entity:** Recognizing the potential environmental and safety implications of spillages, the organization has taken proactive measures to capture and minimize spillage incidents. Through careful monitoring and timely response, the Company aims to mitigate any adverse effects on both employees and the environment, fostering a culture of responsible resource management.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, the entity adheres to a diligent work permit system that incorporates a comprehensive safety checklist. This checklist entails crucial tasks such as ensuring the proper maintenance or timely updates of both new and existing Resource Materials (RM) within the Material Safety Data Sheet (MSDS). Additionally, routine inspections are conducted, involving walks through the premises, aimed at promptly identifying any irregularities or anomalies that may arise. By diligently following these protocols, the entity ensures a secure and controlled working environment that prioritizes the well-being of its employees and the overall safety of its operations.

c) Whether you have processes for employees / workers to report work-related hazards and to remove themselves from such risks. (Y/N)

Yes, the entity employs a structured process known as the "Abnormality Register," dedicated to documenting and recording any instances of abnormalities that may arise within its operations. This specialized procedure serves as a formal mechanism for prompt reporting and documenting deviations from the norm or unexpected occurrences. Through the implementation of the Abnormality Register, the entity ensures that all irregularities are effectively logged, allowing for thorough analysis, appropriate remedial actions, and the continuous improvement of its overall functioning.

d) Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes, the entity generously extends a comprehensive Mediclaim Policy to all its diligent and dedicated employees and workers, assuring them of essential health coverage and protection. This thoughtful initiative underscores the company's unwavering commitment to the well-being and welfare of its valuable workforce, recognizing the significance of providing a safeguard against unforeseen medical expenses. By equipping its personnel with this indispensable benefit, the entity not only fosters a nurturing and caring work environment but also empowers its team members to focus wholeheartedly on their professional pursuits, knowing that their health needs are diligently taken care of.

11. Details of safety-related incidents, in the following format:

Safety Incident/Number	Category	FY 2023	FY 2022
Lost Time Injury Frequency Rate (LTIFR) (Per one-million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

The organization prioritizes the well-being and security of its employees by implementing robust safety protocols to create a secure and conducive working environment. Among these measures are the following:

- Comprehensive safety training sessions are conducted for all workers, equipping them with the necessary knowledge and skills to handle potential hazards effectively.
- Each worker is outfitted with a Personal Protective Equipment (PPE) kit, which includes safety shoes, hand gloves, masks, goggles, head caps, and gum boots. This ensures that they are adequately protected from any potential risks associated with their specific job roles.
- A stringent safety work permit system is in place to meticulously regulate and monitor potentially hazardous tasks, ensuring that they are performed with the utmost precaution and adherence to safety guidelines.

13. Number of Complaints on the following made by employees:

Particulars	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	Nil	0	0	Nil
Health & Safety	0	0	Nil	0	0	Nil

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100% of the entity is assessed (by Joint Director of Industrial Safety & Health).
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions.

The organization has, thus far in the present fiscal year, recorded a commendable absence of any significant incidents, a feat achieved through the meticulous implementation of a range of effective preventive measures.

- These measures encompass the installation of foam sprinkler systems and automated fire detection systems, aimed at promptly addressing any potential fire hazards. Moreover, the entity has actively invested in safety awareness training for its personnel, ensuring that everyone is well-informed and equipped to respond appropriately in critical situations.
- To further enhance preparedness, regular mock drills have been conducted, allowing employees to familiarize themselves with emergency protocols and improve their response times. Additionally, the implementation of a robust work permit system has been put in place, ensuring that all tasks are carried out with adherence to stringent safety guidelines and protocols.
- A notable accomplishment was the meticulous removal of hazardous and dangerous materials from the boiler room, reducing potential risks significantly and contributing to an overall safer working environment.

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The company has diligently undertaken a comprehensive mapping exercise, enables to categorize the stakeholders into distinct and significant groups. These groups include - Investors, Shareholders, Employees, Local communities (focusing on vulnerable groups like, women, and individuals with disabilities), civil society (comprising of NGOs), Legal institutions, Trade associations, Media, Suppliers, Business partners, Customers, Dealers, Regulatory bodies and Competitors. To ensure effective management with each stakeholder group, the company has allocated specific teams within the company with the responsibility of fostering and maintaining these relationships. This approach helps in the company's commitment to engage meaningfully with all stakeholders and fostering a mutually beneficial and responsible business environment.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees and Workers	No	-E-mail -Intranet portal -Newsletters -Employee engagement activities and Surveys -Rewards and Recognitions	Continuous	- Employees are the most important assets of the Company and are essential to company's long-term success. They are critical to increasing the Company's competitiveness and confirming its market leadership
Shareholders and Investors	No	-Annual General Meeting -Investor Calls & Analyst Meets -Investor Relations Web Page -Quarterly condensed financial statements -Annual Report -Investor conference calls -Press Releases	Quarterly, Half Yearly, Annually, event based & as and when required	-Sound corporate governance mechanisms, Announcing Financial Results, Annual Reports, Intimation to Physical shareholders regarding Dispute Resolution Mechanism etc.
Customers	No	-Engagement through website, social media, in-store promotions -Brand campaigns conducted regularly, during festive seasons and sales promotions	Continuous	- End consumers hold a paramount role as key stakeholders, as their satisfaction and delight constitute a pivotal component of our strategy for achieving success.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Supply Chain Partners	No	- One to-one meetings -Regular operational reviews	Continuous	- The Company collaborates with the suppliers to maintain seamless business operations by ensuring effective and efficient procurement practices.
Communities	Yes	-CSR initiatives - Volunteering initiatives	Continuous	-Responsible corporate citizenship -To develop the CSR project along with the community, according to the need of the community
Government and Regulatory Authorities	No	-Disclosures and filings for compliance reporting - Meeting authorities for permissions/ approvals	Audits conducted periodically/ monthly/ quarterly/ annually and on need basis	- Compliance - Tax Payments - Policy Advocacy

Principle 5: Businesses should respect and promote human rights

Essential Indicators

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023			FY 2022		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	640	640	100%	534	534	100%
Other than permanent	69	69	100%	62	62	100%
Total Employees	709	709	100%	596	596	100%
Workers						
Permanent	62	62	100%	62	62	100%
Other than permanent	427	427	100%	388	388	100%
Total Workers	489	489	100%	450	450	100%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023					FY 2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent										
Male	609	5	0.82%	604	99.18%	498	5	1%	494	99%
Female	31	0	0%	31	100%	36	0	0%	36	100%
Other than Permanent										
Male	55	10	18.18%	45	81.82%	50	5	10%	45	90%
Female	14	4	28.57%	10	71.43%	12	3	25%	9	75%
Workers										
Permanent										
Male	62	19	30.65%	43	69.35%	62	30	48.39%	32	51.61%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent										
Male	405	405	100%	0	0%	370	370	100%	0	0%
Female	22	22	100%	0	0%	18	18	100%	0	0%

3. **Details of remuneration/salary/wages, in the following format:**

Particulars	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (in Rs.)	Number	Median remuneration/ salary/ wages of respective category (in Rs.)
Board of Directors (BoD)	1	2,49,99,996	0	0
Key Managerial Personnel	2	1,62,14,223	1	27,17,457
Employees other than BoD & KMP	607	4,66,896	30	4,90,483
Workers	62	19,355	0	0

4. **Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

   Yes, it is the duty of HR personnel to handle and resolve human rights consequences or concerns that have been instigated or contributed to by the company.

5. **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

   Yes, the organization has established a system for addressing grievances, where a concerned individual can get in touch with their direct superior and/or a member of the human resources team.

6. **Number of Complaints on the following made by employees and workers:**

Particulars	FY 2023			FY 2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	0			0		
Discrimination at workplace						
Child labour						
Forced labour / Involuntary labour						
Wages						
Other human rights -related issues						

7. **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**

   The esteemed Internal Committee for Prevention of Sexual Harassment, equipped with well-defined Standard Operating Procedures (SOPs), employs robust mechanisms to proactively avert any negative repercussions that may arise for the complainant in cases involving both discrimination and harassment. Through their diligent approach, the committee ensures that the process is carried out with utmost sensitivity and care, prioritizing the protection and well-being of the individual who has lodged the complaint. By adhering to the prescribed SOPs, the committee effectively establishes a safe and confidential environment, fostering an atmosphere where the complainant feels secure and supported throughout the proceedings.

8. **Do human rights requirements form part of your business agreements and contracts?**

   Yes, the Company firmly believes in upholding and promoting human rights principles across all aspects of our operations and partnership. To ensure compliance with these principles, the company includes this in the Code of Conduct policy, which mandates the agreements and contracts that addresses human rights issues.

9. **Assessments for the year**

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

    At Shalimar Paints, no corrective action was taken as no instance were reported on the above issues, hence the question is not applicable.

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

Essential Indicators

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter (in GJ)	FY 2023	FY 2022
Total electricity consumption (A)	11491.43	10997.50
Total fuel consumption (B)	5254.39	9816.65
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	16745.82	20814.16
Energy intensity per rupee of turnover *(Total energy consumption/ turnover in rupees)*	0.00057	0.00059

***Note-** The provided information pertains exclusively to four specific plants (in Chennai, Nashik, Sikandrabad, and Howrah) and corporate office.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	*FY 2023*	*FY 2022*
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	63340	50847
(iii) Third party water	0	0
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (In kiloliters) (i + ii + iii + iv + v)	63340	50847
Total volume of water consumption (In kiloliters)	63340	50847
Water intensity per rupee of turnover *(Water consumed / turnover in Rs)*	0.002158	0.001444

***Note-** The groundwater consumption for FY2021-22 does not include consumption from Sikandrabad plant, as the water consumption monitoring was initiated from FY2022-23. For FY 2021-22, the provided information pertains exclusively to these specific plants: Chennai, Nashik, and Howrah.

For FY 2022-23, the provided information pertains exclusively to four specific plants (in Chennai, Nashik, Sikandrabad, and Howrah).

This doesn't include the data from corporate office, as the water consumption amount was insignificant compared to the reported plants.

4. **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

   Yes, the organization has implemented a Zero Liquid Discharge strategy, which involves the installation of wastewater treatment facilities of varying capacities at different sites. In Chennai, the entity has established an Effluent Treatment Plant (ETP) with a capacity of 1KLD and a Sewage Treatment Plant (STP) with a capacity of 4KLD. Similarly, in Nashik, they have set up an ETP and STP with capacities of 15KLD, and at SKBD, an ETP with a capacity of 9KLD has been installed to support their Zero Liquid Discharge initiatives.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023	FY 2022
NO_x	mg/Nm3	85.22	83.88
SO_x	mg/Nm3	21.72	16.73
Particulate matter (PM)	mg/Nm3	41.60	40.80
Volatile organic compounds (VOC)	Not Applicable		
Persistent organic pollutants (POP)			
Hazardous air pollutants (HAP)			
Others–please specify			

*Note- The Air emissions does not include data from Howrah plant. At the Nashik plant, we have started monitoring the data from FY 24 and will be reporting the same in the next year report.

The provided information pertains exclusively to these specific plants only: Chennai and Sikandrabad

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023	FY 2022
Total Scope 1 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, FCs, SF_6, NF_3, if available)	*tCO2e*	789.72	727.12
Total Scope 2 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, FCs, SF_6, NF_3, if available)	*tCO2e*	2227.77	2343.20
Total Scope 1 and Scope 2 emissions per rupee of Turnover (in Rs)	*tCO2e/INR*	0.00010	0.000087

*Note- The above-mentioned scope emissions data includes data from the corporate office and all the four plants namely, Chennai, Nashik, Sikandrabad and Howrah.

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Currently, the company is not engaged in any projects focused on the reduction of greenhouse gas (GHG) emissions. However, there is a definite intention within the company's strategic roadmap to address this environmental concern by undertaking such initiatives in the upcoming times. The organization envisions incorporating projects aimed at curbing GHG emissions into its future endeavors, highlighting its commitment to environmental sustainability and the recognition of the importance of addressing climate change.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023	FY 2022
Total Waste generated (in metric tonnes)		
Plastic waste *(A)*	480.51	0
E-waste *(B)*	0	56.87
Bio-medical waste *(C)*	0	0
Construction & demolition waste *(D)*	0	0
Battery waste *(E)*	0	0
Radioactive waste *(F)*	0	0
Other Hazardous waste. Please specify, if any. *(G)*	0	0
Other Non-hazardous waste generated *(H). Please specify, if any.* (Break-up by composition i.e., by materials relevant to the sector)	0	0
Total (A+B + C + D + E + F + G + H)	480.51	56.87

Parameter	FY 2023	FY 2022
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (In metric tonnes)		
Category of waste		
(i) Recycled*	29.53	24.45
(ii) Re-used*	12647.44	9721.45
(iii) Other recovery operations	0	0
Total	12676.97	9745.90
For each category of waste generated, total waste disposed by nature of disposal method (In metric tonnes)		
Category of waste		
(i) Incineration	2.5	2.9
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	2.5	2.9

Note- The plastic waste generation was started to be recorded from FY 2022-23. Data on waste generation from Howrah plant not recorded, as it was not under operation for FY 2021-22. The provided information pertains exclusively to these specific plants only: Chennai, Nashik, and Sikandrabad.

This doesn't include the data from corporate office, as the waste generation was insignificant compared to the reported plants.

The information on category of waste incinerated is from Chennai plant only.

Significant data on plastic waste generation and E-waste generation is reported from Nashik & Sikandrabad plant and Chennai plant, respectively.

The company follows a 'Buyback policy' for all the Battery waste generated across all plants.

*The Cartons are recycled and discarded containers and koni bags are reused at the plant site.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Regarding waste management, the company possess the necessary authorization to handle hazardous waste and has established a formal agreement with a vendor approved by the Pollution Control Board to handle such materials. Additionally, for non-hazardous waste, the company has entered into agreements with vendors who specialize in recycling and reusing these materials. The company's comprehensive approach ensures that all waste is managed responsibly and in compliance with the relevant regulations, contributing to a sustainable and eco-friendly environment.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If not, the reasons thereof and corrective action taken, if any.
Not Applicable, as the entity has no operations or offices in or around ecologically sensitive areas.			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name & brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency(Yes / No)	Results communicated in public domain	Relevant weblink
Not Applicable					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes, the entity has ensured full compliance with all relevant environmental laws and regulations, including possessing Consent to Operate (CTO), for monitoring air and water quality. Additionally, the entity has obtained the necessary permits and authorizations to handle hazardous waste appropriately.

S. No.	Specify the law/ regulation/ guidelines which was not complied with	Provide details of the non- compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
Not Applicable				

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.** - 0

   b. **List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.**

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
Not applicable		

2. **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Name of the entity	Brief of the case	Corrective action taken
There were no adverse orders from regulatory authorities hence, this question is not applicable.		

Principle 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name & brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes/No)	Relevant web link
Nil					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Nil					

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The company is yet to establish a redressal mechanism for the community, hence the question is not applicable.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023	FY 2022
Directly sourced from MSMEs/ small producers	17%	9%
Sourced directly from within the district and neighboring districts	83%	91%

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

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   The specifically designated email address (askus@shalimarpaints.com) has been put into place with the primary purpose of functioning as a communication channel. This channel serves the important role of providing a formal platform through which all individuals and groups with an interest in the matter can officially record and communicate their dissatisfactions, objections, or worries. This email address has been widely disseminated among all parties involved, ensuring that everyone is equipped with a method by which they can express any complaints, problems, or matters of concern that they might want to raise.

2. **Turnover of products and / services as a percentage of turnover from all products/services that carry information about:**

	As a percentage of total turnover
Environmental and social parameters relevant to the product	70%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

3. **Number of consumer complaints in respect of the following:**

	FY 2023			FY 2022		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil			Nil		
Advertising						
Cyber security						
Delivery of essential services						
Restrictive Trade Practices						
Unfair Trade Practices						
Other*	499	74	-	307	59	-

*Note- This includes the customer complaints as mentioned in Section-A: VII: Question no. 23.

4. **Details of instances of product recalls on accounts of safety issues.**

	Number	Reasons for recall
Voluntary recalls	0	-
Forced recalls	0	-

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web link of the policy.**

   Yes, the policy concerning cyber security as well as the various risks associated with the safeguarding of data privacy can be readily accessed on the internal network of the Company/ the intranet. This repository of knowledge and guidelines has been made accessible to all employees within the organization, providing them with valuable insights into the measures, protocols, and strategies that have been established to ensure the integrity of our digital systems and the confidentiality of sensitive information.

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

   Nil

SHALIMAR PAINTS

Independent Auditor's Report

To the Members of Shalimar Paints Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Shalimar Paints Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

	Key audit matter	How our audit addressed the key audit matter
A.	**Revenue recognition** (Refer Note 3.3 and 32 for details of revenue recognised during the year) The Company's revenue is derived primarily from manufacturing, selling and distribution of paints, coatings and providing related services recognised in accordance with the accounting policy described in the accompanying standalone financial statements. In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, ('Ind AS 115') revenue from the sale of products is recognised by the Company when the performance obligation is satisfied, i.e., when the 'control' of the goods underlying the particular performance obligation is transferred to the customer. The performance obligations are generally considered to be satisfied by the management when the buyer examines the goods after taking delivery in accordance with the terms and conditions included in the revenue contracts. Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programs run by the Company, which requires estimates to be made by the management at each period end. Further, the Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	Our audit procedures for testing revenue recognition included, but were not limited to the following: a) Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards. b) Obtained an understanding of the management's processes and controls relating to revenue recognition. c) Evaluated the design and tested the operating effectiveness of Company's key internal controls relating to revenue recognition. d) Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, purchase order, sales order, sales invoice and proof of delivery through dispatch/shipping documents. e) Performed testing of samples of revenue transactions recorded during specific period before and after year-end by verifying underlying documents as above, to assess whether revenue was recognised in the correct period. f) Performed analytical procedures which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors.

	Key audit matter	How our audit addressed the key audit matter
	Considering the above factors and the amounts involved, it required considerable audit efforts in testing revenue recorded during the year, and therefore, we have identified revenue recognition as a key audit matter in the current year audit.	g) Tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting. For the samples selected compared that the actual rebates and discounts recognized in respect of particular schemes do not exceed their approved amounts. h) Circularised balance confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any. i) Assessed that the adequacy of disclosures made by the management are in accordance with the applicable accounting standards.
B.	**Provision for Obsolescence of Inventory** (Refer Note 3.5 and 13 for details of inventory as at 31 March, 2023). The Company held inventories aggregating Rs. 11,358.17 lacs as at 31 March, 2023 comprising of raw materials, work-in progress, stock-in-trade, finished goods, packaging materials and stores, spares and consumables, on which the Company has recorded an obsolescence provision amounting to Rs. 277.47 lacs as at 31 March 2023. At each reporting period end, the management assesses whether there is any objective evidence indicating that the net realisable value of any item of inventory is below its carrying value. If so, such inventories are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories ('Ind AS 2'). The factors that the Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated remaining shelf life, product discontinuances and ageing of inventory, to the extent each of these factors impact the Company's business and markets. The Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis. The aforesaid determination involves significant management judgement and high estimation uncertainty on account of usage of slow moving, obsolete and other non-saleable inventory. Considering the above, provision for obsolescence of inventory has been considered as key audit matter for the current period audit.	Our audit procedures for testing provision for obsolescence of inventory included, but were not limited to the following: a) Obtained an understanding of management's process to identify slow-moving, obsolete, and other non-saleable inventory, and process of consequent measurement of required provision for obsolescence. b) Evaluated the appropriateness of related accounting policies adopted by the Company in accordance with the requirements of Ind AS 2 ('Ind AS 2'); c) Evaluated the design, implementation and tested the operating effectiveness of key controls that the Company has in relation to aforesaid process; d) Evaluated the nature, source and reliability of all the information used by the management for arriving at the estimates for determination of provision for obsolescence of inventory; e) For the provision made in respect of non-processable inventory and reprocessing cost to be incurred on re-processable inventory, discussed with the senior management the basis of identification of such inventory along with the judgement and estimates used. We have evaluated the aforesaid in view of our understanding of the business and industry conditions. Further, reperformed computations to validate the accuracy and completeness of such provision; and f) Evaluated appropriateness of disclosures made in the standalone financial statements.
C.	**Impairment assessment of freehold land at Kolkata** As described in Note 3.6 to the standalone financial statements, In year 2014 the operations in Company's Kolkata plant were suspended after a fire incident as a result of which the land at Kolkata plant is not used to its full capacity. The aforesaid matter is impairment indicator and triggered a need for impairment assessment. Management, during the year ended 31 March 2023, has carried out valuation of land whereby the carrying amount of the land was compared with the recoverable value as determined under the principles of Ind AS 36. The aforesaid recoverable value has been determined by the management with the help of an external valuation expert using market approach and the key assumptions underpinning such valuation are guideline rate published by state government.	Our audit procedures for impairment assessment of Kolkata (Howrah) freehold land included, but were not limited to the following: a) Discussed with the management, future plans of the Company with respect to alternate use of the plant and future revival of operations of the plant. b) Assessed the appropriateness of the impairment accounting policies and its compliances with applicable accounting standards. c) Obtained an understanding of the management's processes and tested the design and operating effectiveness of internal controls over identification and impairment test procedures.

Independent Auditor's Report

Key audit matter		How our audit addressed the key audit matter
	Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in the impairment evaluation, impairment assessment of the land at Kolkata plant was determined as a key audit matter.	d) Reviewed the valuation report with respect to Howrah land at Kolkata plant and fair value obtained by the management from an independent valuer and assessed the professional competence, skills and objectivity of the valuer for performing the required valuation; e) Assessed the appropriateness of the significant assumptions as well as the Company's valuation methodology and assumptions with the support of auditor's valuation specialists. f) Evaluated the adequacy and appropriateness of disclosures made by the Company in the standalone financial statements, as required by the applicable provisions of the Act and the requirement of Ind AS 36.

Information other than the Standalone Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

11. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. The standalone financial statements of the Company for the year ended 31 March 2022 were audited by the predecessor auditor, A.K. DUBEY & Co., who have expressed an unmodified opinion on those standalone financial statements vide their audit report dated 26 May 2022.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
17. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. Further to our comments in Annexure I, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
    b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
    c) The standalone financial statements dealt with by this report are in agreement with the books of account;
    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;
    f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure II wherein we have expressed an unmodified opinion; and
    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us :

i. the Company, as detailed in note 45 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv. a. The management has represented that, to the best of its knowledge and belief, as disclosed in note 63(o) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 63(p) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses iv(a) and iv(b) above contain any material misstatement.

v. The Company has not declared or paid any dividend during the year ended 31 March 2023 and;

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 23508685BGYCRF9052

Place: Gurugram
Date: 27 May 2023

Independent Auditor's Report

Annexure I referred to in Paragraph 17 of the Independent Auditor's Report of even date to the members of Shalimar Paints Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (including investment properties) held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 5.1 to the standalone financial statements are held in the name of the Company. For title deeds of immovable properties in the nature of land situated at Nasik and Chennai with gross carrying values of Rs 2,177 Lakhs and Rs 359.78 Lakhs as at 31 March 2023, which have been mortgaged as security for borrowings taken by the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets during the year.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for goods in transit. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) As disclosed in note 63(i) to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and such returns/statements are in agreement with the books of account of the Company for the respective periods which were not subject to audit, except for the following:

Name of the Banks	Working capital limit sanctioned (INR Lakhs)	Nature of current assets offered as security	Quarter	Information disclosed as per return (INR Lakhs)	Information as per books of accounts (INR Lakhs)	Difference (INR Lakhs)
Punjab National Bank, State Bank of India and HDFC Bank	16,250	Pari Passu Charge on current assets, also refer note no. 26 of standalone financial statements	June 2022	20,696.69	19,467.32	1,229.37
			September 2022	22,068.14	20,234.33	1,833.81
			December 2022	22,630.80	21,168.17	1,462.64
			March 2023	-	22,109.91	(22,109.91)

(iii) (a) The Company has provided loans to Subsidiaries during the year as per details given below:

(Amount in Rs. lakhs)

Particulars	Loans
Aggregate amount provided during the year: - Subsidiaries	2.02
Balance outstanding as at balance sheet date in respect of above cases: - Subsidiaries	295.48

(b) In our opinion, and according to the information and explanations given to us, the terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company. Further the Company has not made investments, provided any guarantees, granted advances in the nature of loans or given any security.

(c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the receipts of principal and interest are regular.

(d) There is no overdue amount in respect of loans granted to such companies. The Company has not granted any loans to firm, LLPs or other parties.

(e) The Company has not granted any loans which had fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans that existed as at the beginning of the year.

(f) The Company has granted loans, which are repayable on demand, as per the details below:

Particulars	All Parties (Amount in INR Lakhs)	Related Parties (Amount in INR Lakhs)
Aggregate of loans - Repayable on demand (A) - Agreement does not specify any terms or period of repayment (B)	 295.48 -	 295.48 -
Total (A+B)	295.48	295.48
Percentage of loans/advances in nature of loan to the total loans	100%	100%

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Act in respect of loans granted as applicable. Further the Company has not entered into any transaction covered under section 185 and section 186 of the Act in respect of investment made, guarantees and security provided by it.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. However, according to the information and explanation given to us, such records have not been made.

(vii) (a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a certain cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Amount Rs. in lakhs	Amount paid under Protest Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income-Tax Act, 1961	Income Tax	258.03	-	AY 2015-16	Commissioner Income Tax (Appeals), New Delhi	-
Income-Tax Act, 1961	Income Tax	245.78	-	AY 2018-19	Commissioner Income Tax (Appeals), New Delhi	-
Central Excise Excise Act, 1944	Central Excise	211.34	-	Jan 2005 to Mar 2008	CESTAT, Kolkata	-
Central Excise Excise Act, 1944	Central Excise	122.86	-	FY 2009-10 to 2011-12	CESTAT, Kolkata	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	9.34	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	5.82	-	FY 2006-07	Assistant Commissioner, Madhya Pradesh	-

Independent Auditor's Report

Name of the statute	Nature of dues	Amount Rs. in lakhs	Amount paid under Protest Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	13.82	-	FY 2008-09	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	17.66	-	FY 2016-17	Assistant Commissioner, Bihar	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	23.61	3.00	FY 1996-97	Commissioner, Delhi	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	2.33	-	FY 2007-08	Commissioner, Delhi	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	475.48	-	FY 2015-16	Assistant Commissioner, Delhi	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	1.50	-	FY 2015-16	Assistant Commissioner, Delhi	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	17.24	-	FY 2005-06	Tribunal level in Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	1.99	-	FY 2013-15	Tribunal level in Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.32	-	FY 2015-16	CIT, Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	1.34	-	FY 1995-96	Revision board, Tripura	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	4.00	-	FY 2016-17	Commissioner, Tripura	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	4.15	-	FY 2016-17	CIT, Odisha	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	0.07	-	FY 1994-95	Revision board, Tripura	-

Independent Auditor's Report

Name of the statute	Nature of dues	Amount Rs. in lakhs	Amount paid under Protest Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	14.36	-	FY 2013-14	Appeal with Joint Commissioner, Uttarakhand	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	4.25	-	FY 2013-14	High Court, Kerala	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	3.22	-	FY 2017-18	Appeal, Haryana	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT	9.73	-	FY 2012-13	Assistant Commissioner, Ahmedabad	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT/ET	1.75	-	FY 2005-06	Assistant Commissioner, Madhya Pradesh	-
Central Sales Tax, 1956 & Value Added Tax Act	Sales Tax and VAT/CST	1.88	0.27	FY 2005-06	Assistant Commissioner, Madhya Pradesh	-
The Uttar Pradesh Goods and Services Tax Act, 2017	GST	76.76	-	FY 2017-18	Assistant Commissioner, Madhya Pradesh	-
West Bengal Premises Tenancy Act, 1956	Lease Rental	900.00	-	FY 1984	High CourtKolkata	-
Public Premises (Eviction of Unauthorised Occupants) Act, 1971	Lease Rental	32.00	-	FY 1990	Before Estate Officer, Kolkata	-
Public Premises (Eviction of Unauthorised Occupants) Act, 1971	Lease Rental	1.17	-	FY 1994	Before Estate Officer, Kolkata	-
Industrial Disputes Act, 1947	Reinstatement in Back Wages	15.00	-	FY 1999	High Court Kolkata	-
Contract Act, 1872/ Sale of Goods Act,1930	Money Recovery	3.67	-	FY 2009	City Civil Court Kolkata	-
Contract Act, 1872/ Sale of Goods Act,1930	Money Recovery	6.90	-	FY 2001	City Civil Court Kolkata	-

Independent Auditor's Report

Name of the statute	Nature of dues	Amount Rs. in lakhs	Amount paid under Protest Rs. in lakhs	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Workmen Compensation Act, 1923	Compensation	3.89	-	FY 2006	City Civil Court Kolkata	-
Public Premises (Eviction of Unauthorised Occupants) Act, 1971	Lease Rental	575.93	-	FY 2009	SUPREME COURT - OF INDIA	
Industrial Disputes Act, 1947	Wages/ Salary Increment	1.00	-	FY 1998	Industrial Court, Mumbai,	-
Industrial Disputes Act, 1947	Wages	1.21	-	FY 2016	Ahmedabad	-
Telangana Buildings (Lease, Rent and Eviction) Control Act, 1960	Lease Rental	4.00	-	FY 1998	City Civil Court, Sikanderabad	-
Industrial Disputes Act, 1947	Wages	7.38	-	FY 2006	High Court & Labour Court, Hubli	-
Capital of Punjab (Development & Regulation) Act, 1952	Lease Rental	16.44	-	FY 2016	Estate officer, Chandigarh	-
Foreign Trade (Development & Regulation) Act, 1992	Delay payment of Customs Duty	85.26	-	FY 2007	Bombay - High Court	-
Payment of Wages Act, 1936	Deduction of Wages	12.88	-	FY 2020	Authority of The Payment of Wages Act, Gurgaon	-

*FY – Financial Year; AY- Assessment Year

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

(ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

(c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

(d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries .

(f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

(b) According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

(c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

(b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b),and (c) of the Order are not applicable to the Company.

(d) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC (Core Investment Company).

(xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 2,551.11 lakhs and Rs. 4,668.68 lakhs respectively.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

Independent Auditor's Report

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) According to the information and explanations given to us, the Company does not meet the criteria as specified under sub-section (1) of section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.

(b) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 23508685BGYCRF9052

Place: Gurugram
Date: 27 May 2023

Annexure II

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the standalone financial statements of Shalimar Paints Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6. A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Independent Auditor's Report

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 23508685BGYCRF9052

Place: Gurugram
Date: 27 May 2023

Standalone Balance Sheet as at 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022 (Refer note 54)
Assets			
Non-current assets			
Property, plant and equipment	5.1	22,492.62	22,654.56
Right-of-use assets	5.2	1,667.92	1,767.53
Capital work-in-progress	6	170.68	16.81
Intangible assets	7	334.02	413.41
Financial assets			
i) Investments	8	583.22	578.43
ii) Loans	9	295.48	293.46
iii) Other financial assets	10	139.29	118.44
Non-current tax assets (Net)	11	285.26	330.64
Other non-current assets	12	14.83	47.96
Total non-current assets		**25,983.32**	**26,221.24**
Current assets			
Inventories	13	11,358.17	9,533.57
Financial assets			
i) Investments	14	3.73	7.45
ii) Trade receivables	15	10,751.74	7,848.54
iii) Cash and cash equivalents	16.1	2,116.26	15,973.26
iv) Bank balances other than (iii) above	16.2	220.78	263.00
v) Other financial assets	17	8,765.40	1,429.25
Current tax assets (Net)	18	99.83	-
Other current assets	19	1,225.23	1,547.92
Total current assets		**34,541.14**	**36,602.99**
Total assets		**60,524.46**	**62,824.23**
Equity and liabilities			
Equity			
Equity share capital	20	1,444.35	1,444.35
Other equity	21	32,219.60	32,040.14
Total equity		**33,663.95**	**33,484.49**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	22	1,461.77	8,204.97
ii) Lease liabilities	23	34.91	95.31
iii) Other financial liabilities	24	10.17	10.81
Provisions	25	602.14	531.10
Total non-current liabilities		**2,108.99**	**8,842.19**
Current liabilities			
Financial liabilities			
i) Borrowings	26	12,427.11	8,368.64
ii) Lease liabilities	27	82.55	93.32
iii) Trade payables	28		
Total outstanding dues to micro enterprises and small enterprises		1,010.56	665.12
Total outstanding dues to trade payables other than micro enterprises and small enterprises		8,988.52	9,086.99
iv) Other financial liabilities	29	682.05	665.41
Provisions	30	1,088.37	1,247.56
Other current liabilities	31	472.36	370.51
Total current liabilities		**24,751.52**	**20,497.55**
Total liabilities		**26,860.51**	**29,339.74**
Total equity and liabilities		**60,524.46**	**62,824.23**
Significant accounting policies	1-4		
The accompanying notes are an integral part of standalone financial statements.			

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Standalone Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022 (Refer note 54)
Income			
Revenue from operations	32	48,555.00	35,819.33
Other income	33	720.78	493.16
Total income		**49,275.78**	**36,312.49**
Expenses			
Cost of materials consumed	34	34,556.18	25,251.35
Purchases of stock-in-trade	35	2,447.86	1,786.21
Changes in inventories of finished goods, stock-in-trade and work-in-progress	36	(1,343.56)	(184.70)
Employee benefits expense	37	5,343.04	4,148.44
Finance costs	38	1,589.94	2,229.60
Depreciation and amortisation expenses	39	1,268.62	1,338.09
Other expenses	40	9,024.20	7,058.50
Total expenses		**52,886.28**	**41,627.49**
Loss before exceptional items and tax		**(3,610.50)**	**(5,315.00)**
Exceptional items	41	-	740.57
Loss before tax		**(3,610.50)**	**(6,055.57)**
Tax expense	42		
Deferred tax		-	(58.62)
Total tax expense		-	**(58.62)**
Loss for the year		**(3,610.50)**	**(5,996.95)**
Other comprehensive income	43		
a. Items that will not be reclassified to Profit or Loss			
Re-measurement of defined benefit plans		44.93	(183.33)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total other comprehensive income/(loss) for the year		**44.93**	**(183.33)**
Total comprehensive loss for the year		**(3,565.57)**	**(6,180.28)**
Earnings per equity share of face value of Rs. 2/- each	44		
1) Basic (in Rs.)		(5.00)	(10.69)
2) Diluted (in Rs.)		(5.00)	(10.69)
Significant accounting policies	1-4		
The accompanying notes are an integral part of standalone financial statements.			

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Standalone Cash Flow Statement as at 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022 (Refer note 54)
A. Operating activities		
Loss before tax	(3,610.50)	(6,055.57)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortision on property, plant and equipment, on intangible assets and right-of-use assets	1,268.62	1,338.09
Interest expense	1,586.22	2,230.43
Interest income classified as investing cash flow	(511.37)	(215.52)
Loss on disposal of property, plant and equipment	0.81	-
Excess provisions (written back)/ written off	(198.62)	50.63
Unrealised gain on foreign curency translations	(10.61)	(1.83)
Provision for inventory obsolescence	397.97	680.74
Allowance for expected credit loss	-	203.44
Operating profit before working capital changes	**(1,077.48)**	**(1,769.59)**
Working capital adjustments:		
Increase in inventories	(2,222.30)	(1,535.00)
Increase in trade receivables	(2,892.59)	(79.01)
Decrease/ (Increase) in other current and non-current financial asset	459.00	(200.16)
Decrease in other current and non-current asset	420.86	75.10
Increase / (Decrease) in other current and non-current financial liability	77.37	(1,727.48)
Increase / (Decrease) in other current liability	102.29	(162.28)
Increase / (Decrease) in trade payables	439.47	(1,430.50)
(Decrease) / Increase in provisions	(44.23)	705.35
Total cash used in operations	**(4,737.61)**	**(6,123.57)**
Income Tax paid	(54.45)	(24.31)
Net cash used in operating activities (A)	**(4,792.06)**	**(6,147.88)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,118.42)	(306.98)
Proceeds from disposal of property, plant and equipment	3.49	21.36
Loan given to subsidiary	(1.97)	-
Investment in bank deposits	(7,541.35)	(487.26)
Interest received	279.81	160.24
Net cash used in investing activities (B)	**(8,378.44)**	**(612.64)**
C. Financing activities		
Issue of share capital	-	358.33
Securities premium on account of issue of equity shares	-	20,606.23
Issue of optionally convertible debentures	-	5,500.00
Proceeds from share warrants	3,750.00	-
Proceeds from long-term borrowings	-	3,384.51
Repayment of long-term borrowings	(1,508.31)	(2,061.29)
Repayment of short-term borrowings (Net)	(1,323.66)	(3,088.88)
Repayment of lease liabilities	(116.77)	(60.18)
Interest paid [including interest on lease liabilities Rs. 19.05 lakh (31 March 2022 Rs. 19.25 lakh)]	(1,487.76)	(2,170.13)
Net cash flows (used in)/ from financing activities (C)	**(686.50)**	**22,468.59**
Net change in cash and cash equivalents (D=A+B+C)	**(13,857.00)**	**15,708.07**
Cash and cash equivalents at the beginning of year (E)	**15,973.26**	**265.19**
Cash and cash equivalents at the end of year (D+E) (Refer note 16)	**2,116.26**	**15,973.26**
i) Cash Balance on Hand	0.12	0.12
ii) Balance with Banks :		
-In Current Accounts	2,116.14	3,665.12
-Bank deposits with original maturity of less than 3 months	-	12,308.02
Total	**2,116.26**	**15,973.26**

Refer note 55 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7

The accompanying notes are an integral part of standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Statement Of Change In Equity for the year ended 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

A	Equity Share Capital	Notes	No. of shares	Amount
	Equity share capital as at 1 April 2021		54,300,259	1,086.02
	Changes in equity share capital during the year		17,916,667	358.33
	Equity share capital as at 31 March 2022	20	72,216,926	1,444.35
	Changes in equity share capital during the year		-	-
	Equity share capital as at 31 March 2023	20	**72,216,926**	**1,444.35**

B Other equity

Particulars	Notes	Reserves & Surplus				Equity portion of optionally convertible debentures	Money received against share warrants	Total
		Securities premium	Share options outstanding	General reserve	Retained earnings			
Balance as at 1 April 2021		**25,784.86**	**12.77**	**4,061.71**	**(10,246.62)**	**-**	**-**	**19,612.72**
-Changes in accounting policy or prior period error		-	-	-	(2,224.67)	-	-	(2,224.67)
Restated balance as at 1 April 2021 (Refer note 54)		**25,784.86**	**12.77**	**4,061.71**	**(12,471.29)**	**-**	**-**	**17,388.05**
-Loss for the year		-	-	-	(6,384.52)	-	-	**(6,384.52)**
-Other comprehensive income for the year								
Remeasurement of defined benefit plans		-	-	-	(183.33)	-	-	**(183.33)**
-Addition during the year		21,141.67	(7.80)	-	-	-	-	**21,133.87**
Balance as at 31 March 2022		**46,926.53**	**4.97**	**4,061.71**	**(19,039.14)**	**-**	**-**	**31,954.07**
-Changes in accounting policy or prior period error (Refer note 54)		(535.77)	-	-	396.36	225.48	-	86.07
Restated balance as at 1 April 2022 (Refer note 54)	21	**46,390.76**	**4.97**	**4,061.71**	**(18,642.78)**	**225.48**	**-**	**32,040.14**
-Loss for the year		-	-	-	(3,610.50)	-	-	(3,610.50)
-Other comprehensive income for the year								
Remeasurement of defined benefit plans		-	-	-	44.93	-	-	44.93
-Addition/deletion during the year		-	(4.97)	-	-	-	3,750.00	3,745.03
Balance as at 31 March 2023	21	**46,390.76**	**-**	**4,061.71**	**(22,208.35)**	**225.48**	**3,750.00**	**32,219.60**

The accompanying notes are an integral part of standalone financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Notes to the Standalone Financial Statements for the year ended 31 March 2023

1 Company background

Shalimar Paints Limited ("the Company") is a public limited Company domiciled in India. The registered office of the Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Company is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services. The Company has pan-India presence through its marketing offices in all major states in India and has its manufacturing units in Nashik, Howrah, Sikandrabad and Chennai.

2 Basis of preparation of financial statements

These standalone financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 ('the Act') and other relevant provisions of the Act and guidelines issued by the SEBI to the extent applicable. The accounting policies have been applied consistently over all the periods presented in these standalone financial statements. The standalone financial statements provide comparative information in respect of previous year. These standalone financial statements are approved for issue by the Board of Directors on 27 May 2023.

The Company presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

3 Significant accounting policies

3.1 Basis of measurement

The standalone financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured fair value:

- Property, Plant & Equipment (at fair value as deemed cost as at 1st April 2016);
- Financial assets and liabilities except certain investments, Loans and borrowings carried at amortised cost;
- Defined benefit plans - plan assets measured at fair value;
- Share based payments

The standalone financial statements are presented in Indian Rupees which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

3.2 Fair value measurements

The Company measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the balance sheet at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of various discounts and schemes offered by the Company as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable. Revenue from sale of goods and services transferred to distributors/intermediaries are recognised at a point in time.

a) Sale of goods:

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers which coincides with their handing over the goods to the transporter and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

b) Services rendered:

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

3.4 Other Income

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend income from investments is recognised when the Company’s right to receive dividend is established.

3.5 Inventories

Inventories are valued as follows:

a) Raw materials, components, stores and spares:

At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

b) Work-in-progress:

At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) Intermediate goods/ Finished goods:

i. Self manufactured - At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average cost basis.

ii. Traded - At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unprocessable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

3.6 Property, plant and equipment and capital work-in-progress

a) Measurement at recognition

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Standalone Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Standalone Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/capitalization as at the balance sheet date.

b) Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amountof the asset) is included in the Standalone Statement of Profit and Loss when the asset is de-recognised.

c) Depreciation

Depreciation on property, plant and equipment is provided on straight line method in the manner specified in Schedule II of the Companies Act, 2013 as given below and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value.

Factory building	30 years
Other than factory building	60 years
Plant & machinery	7 to 15 years
Office equipments	5 years
Computer	3 years
Tinting machines	10-15 years
Furnitures and fixtures	10 years
Vehicles	8 years

Depreciation is charged on fair valued amount less estimated salvage value. Leasehold land is amortized on a straight line basis over the remaining period of lease. Depreciation on tinting machines is basis the technical evaluation.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

3.7 Intangible Assets

a) Measurement at recognition

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

b) Amortisation

Intangible Assets with finite lives are amortised over the estimated useful economic life on straight line method.

The amortisation expense on intangible assets with finite lives is recognised in the Standalone Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Computer software	6 years
Trade mark	10 years
Technical know how	25 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year.

c) Derecognition

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Standalone Statement of Profit and Loss when the asset is derecognised.

3.8 Investment in subsidiaries

An investor, regardless of the nature of its involvement with an entity (the investee), shall determine whether it is a parent by assessing whether it controls the investee. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Thus, an investor controls an investee if and only if the investor has all the following

a) power over the investee;

b) exposure, or rights, to variable returns from its involvement with the investee; and

c) the ability to use its power over the investee to affect the amount of the investor's returns

The Company has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statements'.

Investment carried at cost is tested for impairment as per Ind AS 36.

3.9 Leases

The Company as a lessee

The Company enters into an arrangement for lease of buildings and equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) The Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Standalone Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in standalone profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the standalone financial statements of the Company.

The Company has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3.10 Employee benefits

a) Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Company recognises termination benefit as a liability and an expense when the Company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the standalone balance sheet with a corresponding debit or credit to retained earnings through Standalone Other Comprehensive Income ("OCI") in the period in which they occur. Re-measurements are not reclassified to standalone profit or loss in subsequent periods.

Past service costs are recognised in Standalone Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) **Compensated absences (other long-term employee benefits)**

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Standalone Statement of Profit and Loss and are not deferred. The Company presents the leave as a current liability in the standalone balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Standalone Statement of Profit and Loss in the period in which the employee renders the related service.

3.11 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date of grant using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in 'Share option outstanding account' in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Statement of Profit and Loss.

3.12 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

3.13 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.14 Exceptional items

Items which are material by virtue of their size and nature, are disclosed separately as exceptional items to ensure that standalone financial statements allow an understanding of the underlying performance of the business during the year and to facilitate comparison with prior year.

3.15 Income taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

While determining the tax provisions, the Company assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period.

b) Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets (including on unabsorbed losses) are re-assessed at each reporting date and are recognised to the extent that it has become probable that there is reasonable certainity with convincing evidence of future taxable profits.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.16 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Company predominantly fall within a single operating segment, i.e., manufacturing and sale of paints.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements, thus there are no additional disclosures to be provided under Ind AS 108 –“Segment Reporting”.

3.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the standalone statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the standalone balance sheet.

3.19 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Company's or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Standalone Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Standalone Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.20 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset, except for trade receivables which are initially measured at transaction price.

For purposes of subsequent measurement, financial assets are classified as follows:

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the Standalone Statement of Profit and Loss. The losses arising from impairment are recognised in the Standalone Statement of Profit and Loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income (“FVOCI”). The Company has not designated any debt instrument in this category.

c) Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss (“FVTPL”) is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss. The Company has not designated any debt instrument in this category.

d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 ‘Business Combinations’ applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Standalone Statement of Profit and Loss.

For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Company measures the Expected Credit Loss (“ECL”) associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Standalone Statement of Profit and Loss under the head ‘other expenses'.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company’s financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Utilisation of borrowings availed from banks and financial institutions

The borrowings obtained by the company from banks and financial institutions have been applied for the purposes for which such loans were was taken.

Trade and Other Payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in standalone profit or loss over the period of the borrowings using the effective interest rate method. Borrowings are de recognised from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in standalone profit or loss.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Standalone Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in Standalone OCI. These gains/ loss are not subsequently transferred to the Standalone Statement of Profit and Loss.

b) Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Standalone Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Standalone Statement of Profit and Loss.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Standalone Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

3.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.22 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration or is due from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

3.23 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the standalone financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

4 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Company's standalone financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the standalone financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Company has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the standalone financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the standalone financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of tangible/intangible assets

The Company reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Inventories

The Company estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Standalone Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) Allowance for expected credit loss

The Company applies Expected Credit Losses (“ECL”) model for measurement and recognition of loss allowance on trade receivables. In accordance with In accordance with Ind AS 109 - Financial Instruments, the Company applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - ‘Revenue from Contracts with Customers’.

For this purpose, the Company follows ‘simplified approach’ for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

f) Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs (‘MCA’) under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these standalone financial statements

Standards issued but not effective

The Ministry of Corporate Affairs ("MCA") vide its notification dated March 31, 2023 has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments have been made to the following standards

Amendment to Ind AS 12 and Ind AS 101

Now the Initial Recognition Exemption (IRE) does not apply to transactions that give rise to equal and offsetting temporary differences. Narrowed the scope of IRE (with regard to leases and decommissioning obligations). Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

The application of this amendment is not expected to have a material impact on the Company's’s standalone financial statements

Amendment to Ind AS 1 and Ind AS 34 and Ind AS 107

Companies should now disclose material accounting policies rather than their significant accounting policies. The application of this amendment is not expected to have a material impact on the Company’s standalone financial statements.

Amendment to Ind AS 8

Definition of ‘change in account estimate’ has been replaced by revised definition of ‘accounting estimate’. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments listed above will be effective on or after April 1, 2023 and are not expected to significantly affect the current or future periods.

SHALIMAR PAINTS

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

5.1 Property, plant and equipment

Particulars	Land Free hold	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Gross carrying value								
As at 1 April 2021	**9,736.52**	**9,536.06**	**6,704.25**	**86.27**	**115.51**	**306.72**	**1,306.02**	**27,791.35**
Additions for the year	-	49.37	136.47	0.22	4.89	30.91	19.56	241.42
Disposals/Adjustment for the year	-	(8.32)	(40.26)	(0.89)	-	(4.51)	-	(53.98)
As at 31 March 2022	**9,736.52**	**9,577.11**	**6,800.46**	**85.60**	**120.40**	**333.12**	**1,325.58**	**27,978.79**
Additions for the year	-	-	803.28	7.22	20.70	71.43	1.66	904.29
Disposals/Adjustment for the year	-	-	(2.77)	(6.92)	-	(2.07)	-	(11.76)
As at 31 March 2023	**9,736.52**	**9,577.11**	**7,600.97**	**85.90**	**141.10**	**402.48**	**1,327.24**	**28,871.32**
Depreciation								
As at 1 April 2021	**-**	**1,487.51**	**2,098.38**	**45.00**	**18.78**	**199.56**	**369.15**	**4,218.38**
Depreciation for the year	-	351.77	652.74	4.72	13.27	34.80	81.17	1,138.47
Disposals/Adjustment for the year	-	(2.24)	(25.66)	(0.72)	-	(4.00)	**-**	(32.62)
As at 31 March 2022	**-**	**1,837.04**	**2,725.46**	**49.00**	**32.05**	**230.36**	**450.32**	**5,324.23**
Depreciation for the year	-	317.11	614.90	4.08	15.27	32.81	77.71	1,061.88
Disposals/Adjustment for the year	-	-	(2.55)	(4.24)	-	(0.62)	-	(7.41)
As at 31 March 2023	**-**	**2,154.15**	**3,337.81**	**48.84**	**47.32**	**262.55**	**528.03**	**6,378.70**
Net carrying value								
Balance as at 31 March 2022	9,736.52	7,740.07	4,075.00	36.60	88.35	102.76	875.26	22,654.56
Balance as at 31 March 2023	9,736.52	7,422.96	4,263.16	37.06	93.78	139.93	799.21	22,492.62

The Property, plant and equipment block was tested for impairment in accordance with IND AS 36 concluding no impairment to the carrying values.

Notes:

a) Refer note 22 (i) and note 26 for details regarding property, plant and equipment which are pledged as security.

b) Refer note 45B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) All the title deeds of the immovable properties are held in the name of the Company.

5.2 Right-of-use assets

Particulars	Buildings Lease hold	Land Lease hold	Total Lease Assets
Gross carrying value			
As at 1 April 2021	**168.21**	**1,690.95**	**1,859.16**
Additions for the year	242.16	-	242.16
As at 31 March 2022	**410.37**	**1,690.95**	**2,101.32**
Additions for the year	67.88	-	67.88
Disposals/Adjustment for the year	(42.89)	-	(42.89)
As at 31 March 2023	**435.36**	**1,690.95**	**2,126.31**
Depreciation			
As at 1 April 2021	**140.17**	**79.26**	**219.43**
Depreciation for the year	87.94	26.42	114.36
As at 31 March 2022	**228.11**	**105.68**	**333.79**
Depreciation for the year	98.17	26.43	124.60
As at 31 March 2023	**326.28**	**132.11**	**458.39**
Net carrying value			
Balance as at 31 March 2022	182.26	1,585.27	1,767.53
Balance as at 31 March 2023	109.08	1,558.84	1,667.92

(All amounts are in Rupees lakh, unless otherwise stated)

6 Capital work-in-progress

Particulars	Amount
Gross carrying value	
As at 1 April 2021	**35.03**
Additions for the year	262.42
Capitalised during the year	(280.64)
As at 31 March 2022	**16.81**
Additions for the year	1,020.73
Capitalised during the year	(866.86)
As at 31 March 2023	**170.68**
Net carrying value	
Balance as at 31 March 2022	16.81
Balance as at 31 March 2023	170.68

Ageing of capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years*	Total
As at 31 March 2023					
Projects in progress	163.28	-	-	7.40	170.68
Total	**163.28**	**-**	**-**	**7.40**	**170.68**
As at 31 March 2022					
Projects in progress	9.41	-	7.40	-	16.81
Total	**9.41**	**-**	**7.40**	**-**	**16.81**

Note:

There are no project as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to its original plan or where completion is over due.

* Capital work-in-progress more than 3 years is expected to be capitalised in the financial year 2023-24.

7 Intangible assets

Particulars	Computer Software	Technical Know How	Trade Mark	Total
As at 1 April 2021	**644.71**	**68.47**	**49.78**	**762.96**
Additions for the year	39.22	-	-	39.22
As at 31 March 2022	**683.93**	**68.47**	**49.78**	**802.18**
Additions for the year	2.75	-	-	2.75
As at 31 March 2023	**686.68**	**68.47**	**49.78**	**804.93**
Accumulated amortisation				
As at 1 April 2021	**238.42**	**22.59**	**42.49**	**303.50**
Amortisation for the year	77.93	2.53	4.80	85.26
Disposals/Adjustment for the year	0.01	-	-	0.01
As at 31 March 2022	**316.36**	**25.12**	**47.29**	**388.77**
Amortisation for the year	79.61	2.53	-	82.14
As at 31 March 2023	**395.97**	**27.65**	**47.29**	**470.91**
Net Carrying Value				
Balance as at 31 March 2022	367.57	43.35	2.49	413.41
Balance as at 31 March 2023	290.71	40.82	2.49	334.02

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

8 Non-current investments

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares/units	Amount	No. of Shares/units	Amount
A. Investment in equity shares in wholly owned subsidiaries (at cost) (unquoted)				
(i) Shalimar Adhunik Nirman Ltd.				
Fully paid up shares of Rs.10 each	**49,990**	5.00	**49,990**	5.00
Partly paid up shares @ Re.1 each (Share of Rs.10 each)	**4,50,000**	4.50	**4,50,000**	4.50
(ii) Eastern Speciality Paints & Coatings Pvt Ltd.				
Fully paid up shares of Rs.10 each	**50,000**	5.00	**50,000**	5.00
Less: Provision for Impairment in value of investment	(3.07)	(3.07)		
Total		**11.43**		**11.43**
B. Investment in others in fully paid equity shares (at FVTPL) (unquoted)				
(i) Woodlands Multispeciality Hospital Limited				
Fully paid up shares of Rs.10 each	**2,350**	0.24	**2,350**	0.24
Total		**0.24**		**0.24**
C. Investment in preference shares in wholly-owned subsidiary companies (amortised cost, unquoted)				
(i) Shalimar Adhunik Nirman Ltd.				
6% Non-cumulative, non-convertible redeemable preference shares of Rs. 100 each (Fully paid up)*	**50,000**	44.64	**50,000**	39.85
Total		**44.64**		**39.85**
D. Investment in perpetual interest free loan given to subsidiary company (amortised cost, unquoted)				
(i) Shalimar Adhunik Nirman Ltd.				
Interest free loan given (Refer note 57)		526.91		526.91
Total		**526.91**		**526.91**
Grand Total (A+B+C+D)		**583.22**		**578.43**

*Pursuant to the Scheme of Arrangement as approved by the Honorable High Courts of Kolkata & Delhi, Real Estate Division of the Company, herein after referred to as “Transferor Company”, has been hived off to Shalimar Adhunik Nirman Ltd, a subsidiary of the transferor company, and hereinafter referred to as “Transferee Company”. The said consideration discharged by the transferee company in cash and issue of 6 %, Non-Cumulative Redeemable Preference Shares of Rs. 100/- each, fully paid up, at par, aggregating Rs. 5,000,000 (Rupees fifty lakh) to the transferor Company, as per the orders of Honorable High Courts. The Board of Directors of the Company have extended the time period for redemption of 6% Non-Cumulative Redeemable Preference Shares by five years w.e.f 20 May 2019. Accordingly, the new redemption date of preference share is 20 May 2024.

Aggregate amount of unquoted investments		**583.22**		**578.43**
Aggregate amount of impairment in the value of investments		**3.07**		**3.07**

9 Loans - non-current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good		
Loan to related parties (at amortised cost) (Refer note 50)	295.48	293.46
TOTAL	**295.48**	**293.46**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

10 Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets at amortised cost		
Security deposits	114.72	105.31
Balance in deposit accounts with more than 12 months maturity *	24.57	13.13
TOTAL	**139.29**	**118.44**

* These deposits includes items held as security against letter of credits

11 Non-current tax assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax (Net of provision for income tax)	285.26	330.64
TOTAL	**285.26**	**330.64**

12 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	14.83	47.96
TOTAL	**14.83**	**47.96**

13 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw material	3,639.65	3,344.68
Work-in-progress	580.79	495.52
Finished goods	6,831.94	5,573.65
Stores and spares	305.79	119.72
TOTAL	**11,358.17**	**9,533.57**

Notes:

a) Finished goods Rs. 6,831.94 lakh (31 March 2022 Rs. 5,573.65 lakh) is shown net off provision of Rs. 323.46 lakh (31 March 2022 Rs. 688.40 lakh) made in respect of non-processable inventory, reprocessing cost to be incurred on re-processable inventory and variances on account of physical verification performed by the Company.

b) Finished goods includes trading goods Rs. 572.61 lakh (31 March 2022 Rs. 422.89 lakh) and goods-in-transit Rs. 204.86 lakh (31 March 2022 Rs. 208.43 lakh).

c) The cost of inventories recognised as an expense during the year is disclosed in notes 34, 35 and 36.

d) Refer note 22 and 26 for information on inventory pledged as security by the Company.

14 Current investments

Particulars	As at 31 March 2023	As at 31 March 2022
Shalimar Adhunik Nirman Ltd. 6% Non-cumulative, non-convertible redeemable preference shares of Rs. 100 each (Fully paid up) (Refer note 8 C)	3.73	7.45
TOTAL	**3.73**	**7.45**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

15 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
-Considered good	10,751.74	7,848.54
-Credit impaired	770.11	1,014.12
	11,521.85	8,862.66
Less: Allowance for credit impaired trade receivables	(770.11)	(1,014.12)
TOTAL	**10,751.74**	**7,848.54**

Notes:

(i) For trade receivables from related parties, Refer note 50.

(ii) Trade receivables are non interest bearing and credit period generally falls in the range of 0 to 120 days.

(iii) Refer note 22 and note 26 for information on trade receivables pledged as security by the Company.

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(v) No trade or other receivable are due from directors or other officers of the Company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 50.

Ageing schedule of trade receivables is as follows:

Sr No	As at 31 March 2023	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable- considered good	8,569.54	1,872.26	194.54	115.40	-	-	**10,751.74**
(ii)	Undisputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivable- credit impaired	263.80	33.53	53.33	29.67	110.84	232.43	**723.60**
(iv)	Disputed trade receivable- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivable- credit impaired	-	-	10.94	22.92	0.27	12.38	**46.51**
	Gross Trade Receivables	**8,833.34**	**1,905.79**	**258.81**	**167.99**	**111.11**	**244.81**	**11,521.85**
	Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	770.11
	TOTAL	**8,833.34**	**1,905.79**	**258.81**	**167.99**	**111.11**	**244.81**	**10,751.74**

Sr No	As at 31 March 2022	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable- considered good	6,592.46	990.65	76.06	85.81	-	103.56	**7,848.54**
(ii)	Undisputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivable- credit impaired	194.79	56.46	77.24	101.58	249.24	85.70	**765.01**
(iv)	Disputed trade receivable- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivable- credit impaired	-	-	-	1.11	4.18	243.82	**249.11**
	Gross Trade Receivables	**6,787.25**	**1,047.11**	**153.30**	**188.50**	**253.42**	**433.08**	**8,862.66**
	Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	1,014.12
	TOTAL	**6,787.25**	**1,047.11**	**153.30**	**188.50**	**253.42**	**433.08**	**7,848.54**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

16.1 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks in current account	2,116.14	3,665.12
Cash on hand	0.12	0.12
Balance in deposit with original maturity of less than three months	-	12,308.02
TOTAL	**2,116.26**	**15,973.26**

16.2 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with bank held as margin money	0.39	1.48
Deposit with original maturity of more than 3 months but less than 12 months	220.39	261.52
TOTAL	**220.78**	**263.00**

17 Other financial assets- current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured and considered good		
Security deposits	84.98	60.00
Other receivables	114.04	606.51
Interest accrued on term deposits	262.57	31.02
Advance to employees	10.08	10.46
Balance in deposit accounts	8,293.73	721.26
TOTAL	**8,765.40**	**1,429.25**

18 Current tax assets

Particulars	As at 31 March 2023	As at 31 March 2022
Current tax assets	99.83	-
TOTAL	**99.83**	**-**

19 Other Current Assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances		
Advances to suppliers	370.71	668.72
Advance to employees	51.43	37.98
Capital advances	104.60	40.65
Others		
Prepaid expenses	111.41	113.51
Balance with government authorities	587.08	687.06
TOTAL	**1,225.23**	**1,547.92**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

20 Equity Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
100,000,000 (31 March 2022: 100,000,000) equity shares of Rs. 2/- each	2,000.00	2,000.00
Issued,subscribed and fully paid up		
72,216,926 (31 March 2022: 72,216,926) equity shares of Rs. 2/- each	1,444.34	1,444.34
Share Forfeiture Account	0.01	0.01
TOTAL	**1,444.35**	**1,444.35**

Notes:

(i) **Reconciliation of number of shares and share capital outstanding at the beginning and end of the year -**

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning	72,216,926	1,444.34	54,300,259	1,086.01
Add: Preferential Allotment	-	-	17,916,667	358.33
Balance at the end	**72,216,926**	**1,444.34**	**72,216,926**	**1,444.34**

(ii) **Terms/rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs 2/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all Preferential amounts, in proportion to their shareholding.

(iii) During the previous year, on 24 February 2022, the Company had made preferential allotment of 17,916,667 equity shares of face value Rs. 2 each at the price of Rs. 120 per share (including premium of Rs. 118 per share) aggregating to Rs. 21,500 lakh [equity share capital Rs. 358.33 lakh and securities premium reserves Rs. 21,141.67 lakh (Refer note 21)] to Hella Infra Market Private Limited pursuant to members approval at Extra-ordinary General Meeting held on 10 February 2022.

(iv) **Proceeds from the second right issue have been utilised in the following manner -**

Particulars	Proposed to be utilised	Proposed to be utilised (Revised)*	Utilised during FY 2018-19	Utilised during FY 2019-20	Utilised during FY 2020-21	Balance utilised during FY 2021-22
Project of reinstatement of paint manufacturing plant at Nashik	4,568.43	4,492.08	2,035.22	2,210.46	50.24	196.16
Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	40.00	-	40.00	-	-
Long-term working capital requirements	11,737.50	12,113.85	8,709.15	3,404.70	-	-
Expenses for right issue	26.27	26.27	26.27	-	-	-

*Represents increase in the allocation of funds towards long-term working capital requirement, and the same has been allocated through reduction in Nashik project (including RDC) cost.

(v) **Details of shareholders holding more than 5% shares in the Company***

Name of Shareholder	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Virtuous Tradecorp Pvt. Ltd.	13,354,462	18.49%	13,354,462	18.49%
Mrs. Veera Gupta	46,82,952	6.48%	46,82,952	6.48%
Hella Infra Market Private Limited	18,045,745	24.99%	17,977,745	24.89%

The Company does not have any holding / ultimate holding Company.

*As per the records of the Company, including its register of members.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

(vi) **Details of shares held by promoters at the end of the year**

Promoter Name	As at Mar 31, 2023			As at Mar 31, 2022		
	No. of shares	% of shares held	% Change during the year	No. of shares	% of shares held	% Change during the year
Hina Devi Goyal	50,000	0.07%	0.00%	50,000	0.07%	0.00%
Kusum Mittal	50,000	0.07%	0.00%	50,000	0.07%	0.00%
Sminu Jindal	12,468	0.02%	0.00%	12,468	0.02%	0.00%
Sarita Devi Jain	20,000	0.03%	0.00%	20,000	0.03%	0.00%
Sangita Jindal	31,000	0.04%	0.00%	31,000	0.04%	0.00%
Deepika Jindal	89,062	0.12%	0.00%	89,062	0.12%	0.00%
Savitri Devi Jindal	36,515	0.05%	0.00%	36,515	0.05%	0.00%
Hind Strategic Investments	-	0.00%	0.00%	-	0.00%	-5.24%
Urvi Jindal	1,65,545	0.23%	0.00%	1,65,545	0.23%	0.23%
R K Jindal & Sons HUF	30,750	0.04%	0.00%	30,750	0.04%	0.00%
P R Jindal HUF	14,606	0.02%	0.00%	14,606	0.02%	0.00%
S K Jindal and Sons HUF	12,300	0.02%	0.00%	12,300	0.02%	0.00%
Naveen Jindal	36,515	0.05%	0.00%	36,515	0.05%	0.00%
Prithavi Raj Jindal	85,500	0.12%	0.00%	85,500	0.12%	0.00%
Sarika Jhunjhunuwala	27,43,141	3.80%	0.00%	27,43,141	3.80%	2.24%
Shivang Jhunjhunwala	13,20,723	1.83%	0.00%	13,20,723	1.83%	0.76%
Surya Kumar Jhunjhunwala	9,23,286	1.28%	0.00%	9,23,286	1.28%	0.00%
Ritu Jhunjhunwala	13,94,289	1.93%	0.00%	13,94,289	1.93%	1.12%
Gaurang Jhunjhunwala	13,94,289	1.93%	0.00%	13,94,289	1.93%	1.12%
Ratan Jindal	-	0.00%	0.00%	-	0.00%	-0.23%
OPJ Trading Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
Nalwa Investments Limited	2,70,569	0.37%	0.00%	2,70,569	0.37%	0.00%
Mansarover Tradex Limited	52,500	0.07%	0.00%	52,500	0.07%	0.00%
Stainless Investments Limited	82,500	0.11%	0.00%	82,500	0.11%	0.00%
Sun Investments Private Limited	82,500	0.11%	0.00%	82,500	0.11%	0.00%
Jindal Equipment Leasing and Consultancy Services Limited	1,02,500	0.14%	0.00%	1,02,500	0.14%	0.00%
Colarado Trading Co Ltd	12,24,635	1.70%	0.00%	12,24,635	1.70%	0.00%
Hexa Securities and Finance Co Ltd	15,00,000	2.08%	0.00%	15,00,000	2.08%	0.00%
Abhinandan Investments Limited	55,000	0.08%	0.00%	55,000	0.08%	0.00%
Gagan Infraenergy Limited	500	0.00%	0.00%	500	0.00%	0.00%
Nalwa Sons Investments Limited	13,72,590	1.90%	0.00%	13,72,590	1.90%	0.00%
Opelina Sustainable Services Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
Virtuous Tradecorp Private Limited	1,33,54,462	18.49%	0.00%	1,33,54,462	18.49%	0.00%
JSL Limited	23,21,983	3.22%	0.00%	23,21,983	3.22%	0.00%
Systran Multiventures Private Limited	100	0.00%	0.00%	100	0.00%	0.00%

The above list of promoters is as per Section 2(69) of the Companies Act, 2013.

(vii) Over the period of five years immediately preceeding 31 March 2023 and 31 March 2022, bonus shares were not issued. Further, no shares were bought back during the said period.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

21 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium	46,390.76	46,390.76
Share options outstanding	-	4.97
General reserve	4,061.71	4,061.71
Retained earnings	(22,208.35)	(18,642.78)
Equity portion of optionally convertible debentures	225.48	225.48
Money received against share warrants	3,750.00	-
TOTAL	**32,219.60**	**32,040.14**

i. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utiilised in accordance with the provisions of the Act.

ii. Share options outstanding

The above reserve relates to the share options granted by the Company to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 51 to the Standalone Financial Statements.

iii. General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of Profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

iv. Retained earnings (including revaluation reserve)

Retained Earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc. Retained earnings balance includes revaluation reserve amounting to Rs. 10,871.32 lakh (31 March 2022 Rs. 10,871.32 lakh).

v. Equity portion of optionally convertible debentures

As per debenture subscription agreement dated 18 January 2022, the Company has issued 3,055,556 number of unlisted, unsecured optionally convertible debentures of the face value of Rs. 180 each aggregating to Rs. 550,000,080 by way of preferential allotment on private placement basis. The said debentures are carrying interest @ 9% p.a. (payable quarterly) and optionally convertible into equity shares of 3,055,556 number at the discretion of debenture holder on or before August 2023 when the closing listed price of shares breaches the issue price of debenture.

vi. Money received against share warrants

Money received against share warrants is the amount received by the Company which is converted into shares at a specified date at a specified rate.

These warrants are carrying a right to subscribe one equity share per warrant. The price of the warrants have been determined in accordance with the ICDR Regulations. The preferential issue will be undertaken for cash consideration. An amount equivalent to 25% of the consideration is paid at the time of subscription and allotment of warrants and the balance 75% shall be payable at the time of allotment of equity shares pursuant to exercise of rights attached to warrants to subscribe to the equity shares.

22 Non-current borrowings at amortised cost

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term Loans :		
- from Banks	2,858.54	4,346.06
- from others (vehicle loan)	45.52	66.32
Unsecured		
- Optionally Convertible Debentures- from related party (Refer note 50)*	5,433.27	5,286.02
	8,337.33	**9,698.40**
Less: Current maturities of long - term borrowings (Refer note 26)	6,875.56	1,493.43
TOTAL	**1,461.77**	**8,204.97**

Notes:

a) As per debenture subscription agreement dated 18 January 2022, the Company has issued 3,055,556 number of unlisted, unsecured optionally convertible debenture at issue price of Rs. 180 each aggregating to Rs. 550,000,080 by way of preferential allotment on private placement basis.

The said debentures are carrying interest @ 9% p.a. (payable quarterly) and optionally convertible into equity shares of 3,055,556 number at the discretion of debenture holder on or before August 2023 when the closing listed price of shares breaches the issue price of debenture.

b) There are no default in repayments of principal borrowings or interest thereon.

c) The term loans have been used for the specific purpose for which they are availed.

Term Loan from Bank

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %	Repayments starting on	Repayments ending on	Repayment mode	No. of installments
Term Loan from Union Bank of India*	94.93	141.51	MCLR +0.60% p.a	28-Feb-2022	31-Jan-2025	Monthly	48
Union Guaranteed Emergency Credit Line (UGECL-2) scheme from Union Bank of India*	250.54	299.00	MCLR +0.60% or 9.25% whichever is lower p.a	31-Jul-2022	30-Jun-2025	Monthly	48
Working Capital Term Loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from Punjab National Bank*	170.25	227.00	MCLR +1% p.a	30-Apr-2022	31-Mar-2026	Monthly	48
Working Capital Term Loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from State Bank of India*	609.13	860.00	MCLR +1% p.a	30-Apr-2022	30-Sep-2025	Monthly	48
Common Covid 19 Emergency Credit Line (CCECL)Loan*	-	66.67	1 year MCLR% p.a	31-Dec-2020	31-May-2022	Monthly	18
PNB Covid 19 Emergency Credit Facility (CECF) Loan from Punjab National Bank *	-	41.25	MCLR +0.50% p.a	30-Apr-2021	30-Sep-2022	Monthly	18
Term Loan from IDFC First Bank**#	1,733.69	2,710.63	13.05% (31 March 2022 -12.10%) p.a	14-Mar-2022	14-Dec-2024	Quarterly	12

These loans are secured by:

***(1) Primary Security**

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

(2) Collateral Security

(i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra;

(ii) first charge, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal;

(iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets of the Company situated at village -Chinnapuliyur , Taluka-Gummidipoondi , District- Tiruvallur, Tamil Nadu.

**1st pari passu charge on movable fixed assets of the Company & Commercial land in Gurugram and commercial office in Mumbai.

In December 2021, the Company has raised term loan amounting to Rs. 3,000 lakh from IDFC first bank. Interest on the said loan was payable quarterly @ 13.05% (31 March 2022 12.10%) p.a. The Company has paid processing fees of Rs. 43.75 lakh and accordingly, the effective rate of interest was 13.16% p.a.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Vehicle Loan#

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %	Repayments starting on	Repayments ending on	Repayment mode	No. of installments
Vehicle Loan from Toyota Financial Service India Ltd.	6.51	13.75	9.5% p.a	20-Feb-2019	20-Jan-2024	Monthly	60
Vehicle Loan from Toyota Financial Service India Ltd.	4.00	5.93	8.9% p.a	10-Feb-2020	10-Jan-2025	Monthly	60
Vehicle Loan from Tata Motors Finance Ltd.	35.01	46.64	10.9% p.a	11-Nov-2020	11-Sep-2025	Monthly	59

#Secured by vehicle financed

Financial Institution Loan

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %	Repayments starting on	Repayments ending on	Repayment mode	No. of installments
Aditya Birla Finance Limited*	-	452.93	12.95% p.a	15-Sep-2019	15-Jun-2030	Monthly	130
Aditya Birla Finance Limited**	-	92.61	14% p.a	5-Feb-2022	5-Nov-2025	Monthly	48
Religare Finvest Ltd***	-	943.73	14% p.a	1-Aug-2016	1-Sep-2025	Monthly	118

These loans are secured by:

* First charge on Company's immovable property

situated at 5th Floor,C wing, Oberoi Garden Estate,Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072.

** Second charge on Company's immovable property situated at 5th Floor,C wing, Oberoi Garden Estate,Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072.

*** First charge on Company's immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Distt- Bulandshahar (U.P).

Cash Credit and WCDL from Banks

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %
Working Capital Facilities*	831.70	2,082.25	Ranges from 10.90% p.a. to 13.35% p.a.
Bank Overdrafts	986.87	804.02	Ranges from 6.60% p.a. to 7.20% p.a.

These loans are secured by:

Primary Security

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

Collateral Security

(i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra;

(ii) first charge, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal;

(iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets of the Company situated at village -Chinnapuliyur , Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

23 Non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	34.91	95.31
TOTAL	**34.91**	**95.31**

24 Other financial liabilities- non-current

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	10.17	10.81
TOTAL	**10.17**	**10.81**

25 Provisions- non-current

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Defined benefit liability (Net) (Refer note 46)	564.47	507.27
Other long term employee obligations (Refer note 46)	37.67	23.83
TOTAL	**602.14**	**531.10**

26 Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term Loans		
- from financial institutions [Refer note 22 (2) (ii)]*	-	1,489.27
Loans repayable on demand		
- From Banks (Cash Credit and WCDL)	1,818.57	2,886.27
Current maturities of long-term debt (Refer note 22)	6,875.56	1,493.43
Unsecured		
Loans repayable on demand		
- Bill Discounting	3,732.98	2,499.67
TOTAL	**12,427.11**	**8,368.64**

* On 07 April 2022, the Company has prepaid the term loan from financial institutions amounting to Rs. 1,489.27 lakh. [Refer note 22 (ii)]

Cash Credit and WCDL from Banks

Particular of Loan	Rate of interest	As at 31 March 2023	As at 31 March 2022
State Bank of India*	6 Month MCLR +6.05% p.a	335.94	2,883.25
Punjab National Bank**	MCLR +6%	495.77	504.62
HDFC Bank**	1 year MCLR + spreads	-	504.96

* Secured by primary security

**First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

Collateral Security

(i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra;

(ii) first charge, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal;

(iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets of the Company situated at village -Chinnapuliyur , Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

27 Current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	82.55	93.32
TOTAL	**82.55**	**93.32**

28 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues to micro enterprises and small enterprises*	1,010.56	665.12
Total outstanding dues to trade payables other than micro enterprises and small enterprises	8,988.52	9,086.99
TOTAL	**9,999.08**	**9,752.11**

Notes:

*Includes interest payable to Micro, Small and Medium Enterprises (MSME) amounting to Rs. 123.02 lakh (31 March 2022 Rs. 263.99 lakh).

(i) For balance payable to related parties, Refer note 50.

Ageing of trade payables is as follows:

Sr No	As at 31 March 2023	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues to micro enterprises and small enterprises	-	-	1,010.56	-	-	-	**1,010.56**
(ii)	Total outstanding dues to trade payables other than micro enterprises and small enterprises	1,607.38	-	7,031.10	21.61	30.63	297.80	**8,988.52**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of trade payables other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	TOTAL	**1,607.38**	**-**	**8,041.66**	**21.61**	**30.63**	**297.80**	**9,999.08**

Sr No	As at 31 March 2022	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues to micro enterprises and small enterprises	-	-	656.43	1.33	-	7.36	**665.12**
(ii)	Total outstanding dues to trade payables other than micro enterprises and small enterprises	1,651.90	-	6,731.72	139.84	126.57	436.96	**9,086.99**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of trade payables other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	TOTAL	**1,651.90**	**-**	**7,388.15**	**141.17**	**126.57**	**444.32**	**9,752.11**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

The Micro, small and medium enterprises development (MSMED) Act, 2006

The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company:

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	1,010.56	665.12
Interest due on above remaining unpaid to any supplier as at the end of each accounting year	11.17	8.31
Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year*	4,350.71	2,351.51
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act**	41.50	28.37
The amount of interest accrued and remaining unpaid at the end of each accounting year.	123.02	263.99
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a (deductible expenditure under section 23 of MSMED Act, 2006).	123.02	263.99

Note:

* Includes principal amounting to Rs. 4,350.71 lakh (31 March 2022 Rs. 2,351.51 lakh).

** During the year, the Company has reversed MSME interest amounting to Rs. 193.65 lakh (Refer note 33).

29 Other financial liabilities- current

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued and due	0.24	68.07
Payable for capital expenditure	31.27	24.88
Employee related payables	513.94	433.07
Other payables	136.60	139.39
TOTAL	**682.05**	**665.41**

*Other payables includes retention money and stale cheque.

30 Provisions- current

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit liability (Net) (Refer note 46)	251.12	413.45
Other long term employee obligations (Refer note 46)	90.83	90.83
Provisions*	746.42	743.28
TOTAL	**1,088.37**	**1,247.56**

* During the previous years, the Company has created provision in relation to matters for excise duty, DGFT and other civil cases wherein the Company believes the chances of succeding could be low aggregating to Rs. 746.42 lakh (31 March 2022 Rs. 743.28 lakh).

Movement in provision others

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	743.28	739.47
Provision made during the year	3.14	29.85
Provision utilised during the year	-	(26.04)
Balance as at the end of the year	**746.42**	**743.28**

(All amounts are in Rupees lakh, unless otherwise stated)

31 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract balances		
Advances from customers	117.54	220.50
Statutory dues	354.82	150.01
TOTAL	**472.36**	**370.51**

32 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	47,981.15	35,233.62
Rendering of services	387.52	395.26
Total (A)	**48,368.67**	**35,628.88**
Other operating revenues		
Scrap sale	178.03	180.72
Export incentive	8.30	9.73
Total (B)	**186.33**	**190.45**
Total operating income (A+B)	**48,555.00**	**35,819.33**

(a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by timing and geography of recognition.

Revenue by time:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised at point in time	47,981.15	35,233.62
Revenue recognised over time	387.52	395.26
TOTAL	**48,368.67**	**35,628.88**

Revenue by geographical market:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from customers		
India	47,120.66	34,249.63
Outside India	1,248.01	1,379.25
TOTAL	**48,368.67**	**35,628.88**

(b) Changes in contract liabilities balances during the year are as follows:

Ind AS 115, ‘Revenue from contracts with customers’ also requires disclosure of revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year. Same has been disclosed as below:

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is recognised as revenue at a point of time. Significant changes in the Contract liabilities balance during the year are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	**220.50**	**196.61**
Addition during the year	117.54	220.50
Revenue recognised during the year	(220.50)	(196.61)
Closing balance	**117.54**	**220.50**

(All amounts are in Rupees lakh, unless otherwise stated)

(c) Contract balances

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Advance from customers	117.54	220.50
TOTAL	**117.54**	**220.50**

(d) Reconciliation of revenue recognised in statement of profit and loss with contract price

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	54,206.04	39,825.78
Less: Discount	(6,224.89)	(4,592.16)
TOTAL	**47,981.15**	**35,233.62**

(e) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Company does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

33 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from-		
Fixed deposit with banks carried at amortised cost	495.16	35.65
On investments in subsidiary company at amortised cost	3.21	4.44
Others	12.99	175.42
Other non-operating income		
Net gain on foreign curency transactions and translation	10.61	1.83
Miscellaneous receipts [Refer note 58 (i)]	198.81	275.82
TOTAL	**720.78**	**493.16**

34 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cost of materials consumed	34,556.18	25,251.35
TOTAL	**34,556.18**	**25,251.35**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year	3,344.68	2,446.89
Add: Purchases during the year	34,851.15	26,149.14
	38,195.83	**28,596.03**
Less: Inventories at the end of the year	3,639.65	3,344.68
TOTAL	**34,556.18**	**25,251.35**

35 Purchases of stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	2,447.86	1,786.21
TOTAL	**2,447.86**	**1,786.21**

36 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year		
Work-in-progress	580.79	495.52
Finished goods*	6,831.94	5,573.65
Total (A)	**7,412.73**	**6,069.17**
Inventories at the beginning of the year		
Work-in-progress	495.52	640.87
Finished goods*	5,573.65	5,443.60
Total (B)	**6,069.17**	**6,084.47**
Less: Impact of re-instatement of inventory (C)	**-**	(200.00)
Increase in inventory (B-A+C)	**(1,343.56)**	**(184.70)**

*Finished goods includes stock-in-trade

37 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus*	4,853.78	3,748.65
Contribution to provident and other funds	400.07	329.61
Staff welfare expenses	89.19	70.18
TOTAL	**5,343.04**	**4,148.44**

* This includes reversal of employee stock option expense of Rs. 4.97 lakh (31 March 2022 Rs. 7.80 lakh) (Refer note 51).

38 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses on items at amortised cost		
-On Cash Credit and WCDL	831.40	1,381.65
-On term loan	416.30	486.15
Other borrowing costs	323.19	342.55
Interest on lease liabilities	19.05	19.25
TOTAL	**1,589.94**	**2,229.60**

39 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	1,061.88	1,138.47
Depreciation on right-of-use assets	124.60	114.36
Amortisation on intangible assets	82.14	85.26
TOTAL	**1,268.62**	**1,338.09**

(All amounts are in Rupees lakh, unless otherwise stated)

40 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spare parts	220.75	160.13
Power and fuel	605.34	515.68
Rent (Refer note 47)	323.19	255.85
Repairs to building	12.07	5.11
Repairs to plant and machinery	249.81	179.19
Repairs - others	135.45	142.80
Insurance	172.74	144.49
Rates and taxes	289.80	185.74
Printing and stationery	36.08	29.40
Communication expenses	70.02	60.60
Directors' fees	16.80	16.57
Payment to auditors (Refer table A below)	29.62	16.53
Warehouse management charges	30.26	34.40
Travelling expenses	790.52	433.46
Application charges	386.89	395.00
Freight	2,822.86	2,480.77
Loss on disposal of property, plant and equipment	0.81	-
Allowance for credit impaired trade receivable	-	203.44
Marketing expenses	597.05	399.81
Contractual labour charges	1,291.27	789.41
Carrying and forwarding agent	102.97	129.45
Legal and professional charges	394.12	252.98
Recruitment expenses	77.99	14.88
Provision for impairment loss on investment in subsidiaries	-	3.07
Other welfare expenses	116.29	72.87
Miscellaneous expenses	251.50	136.87
TOTAL	**9,024.20**	**7,058.50**

Table A		
Payment to auditors		
Statutory audit fee	25.77	11.66
Tax audit fee	1.50	1.50
Certification fee and other services	-	1.80
Reimbursement of expenses	2.35	1.57
TOTAL	**29.62**	**16.53**

41 Exceptional items

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Provision for old and damage stock	-	682.14
Other balances written-off	-	58.43
TOTAL	**-**	**740.57**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

42 Deferred Tax

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A. Income tax recognised in the statement of profit and loss		
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year expense/(credit)	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	58.62
Income tax expense reported in the standalone statement of profit and loss	**-**	**58.62**

B. Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income tax	**(3,610.50)**	**(6,055.57)**
Tax at India's statutory income tax rate of 31.20% (31 March 2022 31.20%)	(1,126.47)	(1,889.34)
Other non-deductible expenses	6.08	8.44
Losses and unabsorbed depreciation on which deferred tax not created*	1,120.39	1,939.52
Income tax expense reported in the statement of profit and loss	**-**	**58.62**

*As at the year ended 31 March 2023 and 31 March 2022, the Company is having deferred tax assets comprising of deductible temporary differences, brought forward losses and unabsorbed depreciation under tax laws. However, in the absence of reasonable certainty as to its realization of Deferred Tax Assets (DTA), DTA has not been created.

C. Deductible temporary differences for which no deferred tax asset is recognised in the Standalone Balance Sheet:

Particulars	Year of expiry	As at 31 March 2023	As at 31 March 2023 Tax impact @ 31.20%	As at 31 March 2022	As at 31 March 2022 Tax impact @ 31.20%
Tax Losses	31-Mar-22	-	-	-	-
	31-Mar-23	177.56	55.40	177.56	55.40
	31-Mar-25	-	-	-	-
	31-Mar-26	525.43	163.93	525.43	163.93
	31-Mar-27	4,234.69	1,321.22	4,234.69	1,321.22
	31-Mar-28	6,266.12	1,955.03	6,266.12	1,955.03
	31-Mar-29	1,811.49	565.18	1,811.49	565.18
	31-Mar-30	1,762.50	549.90	1,762.50	549.90
	31-Mar-31	5,449.04	1,700.10	-	-
Total tax losses		**20,226.83**	**6,310.76**	**14,777.79**	**4,610.66**
Unabsorbed depreciation	No expiry period	6,972.29	2,175.36	6,015.82	1,876.94
Total		**27,199.12**	**8,486.12**	**20,793.61**	**6,487.60**

43 Other comprehensive income (OCI)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
The disaggregation of changes to OCI in equity is shown below		
Re-measurement of the defined benefit plans	44.93	(183.33)
Tax impact on re-measurement gain on defined benefit plans	-	-
TOTAL	**44.93**	**(183.33)**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

44 Earnings Per Share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Net loss as attributable to equity shareholders	(3,610.50)	(5,996.95)
(b) Weighted average number of equity shares outstanding during the year for calculating basic EPS (Nos.)	72,216,926	56,067,382
(c) Effect of potential dilutive equity shares on employee stock option outstanding (Nos.)	-	4,000
(d) Weighted average number of equity shares outstanding during the year for calculating diluted EPS (Nos.)	72,216,926	56,071,382
Face value per equity share (Rs.)	2	2
Basic Earnings per share (Rs.)	(5.00)	(10.69)
Diluted Earnings per share (Rs.)	(5.00)	(10.69)

In financial year March 2023 potential equity shares have not been considered for the computation of diluted EPS as they are anti-dilutive in nature.

45 A. Contingent liabilities and claims against the Company

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent liabilities, to the extent not provided for in respect of:		
a. Undertakings and letter of credit		
Letter of credit	1,109.24	4,307.05
b. Demands		
Excise duty	334.20	461.07
Sales Tax	613.84	729.87
Goods and Service Tax	83.54	-
Income tax*	503.81	245.78
Others (legal)	1,733.11	2,003.64

* It includes an order received by the Company from the Deputy Commissioner for the AY 2015-16 to add back income of Rs. 258.02 lakh during the previous year. However, there will be no additional demand on account of this addition of income as the Company has sufficient carry forward losses to adjust this addition. The Company has filed an appeal with Commissioner appeal Income Tax against the order.

(i) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The management believe that with respect to litigation disclosed as contingent liability will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Company.

B. Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for, net of advances of Rs. 104.60 lakh (31 March 2022 Rs. 40.65 lakh)	972.47	232.14
(ii) Uncalled liability on partly paid up shares	40.50	40.50
(iii) Guarantees issued by the Company's bankers on behalf of the Company	865.59	829.07

46 Gratuity and others post employement benefit plans :

a) Defined contribution plans

The Company makes fixed contribution towards provident fund and Employees' State Insurance (ESI) for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Company is required to contribute a specified percentage of payroll cost to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.

The Company recognised Rs. 207.98 lakh (31 March 2022 Rs. 161.59 lakh) for provident fund contributions and Rs. 2.55 lakh (31 March 2022 Rs. 1.75 lakh) for ESI contribution in the Standalone Statement of Profit and Loss and included in "Employee benefits expense" in note 36. The contribution payable to these plans by the Company is at rates specified in the rules of the schemes.

b) Defined benefits obligation

Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The unfunded gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

c) Post employement benefits plan

Compensated absences

The Company recognises the compensated absences expenses in the Standalone Statement of Profit and Loss based on actuarial valuation.

The following tables summarises the components of net benefit expense recognised in the Standalone Statement of Profit and Loss and the funded status and amounts recognised in the standalone balance sheet:

Particulars		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Change in present value of obligation during the year**				
	Present value of obligation at the beginning of the year	923.35	114.66	689.42	87.07
	- Current service cost	88.66	20.39	66.81	6.09
	- Interest cost	66.67	8.28	46.88	5.92
	Actuarial loss/(gains) on obligation	(44.88)	5.42	183.34	30.67
	Benefits paid	(214.90)	(20.24)	(63.10)	(15.09)
	Present value of obligation as at year-end	**818.90**	**128.51**	**923.35**	**114.66**
II	**Change in fair value of plan assets during the year**				
	Plan assets at the beginning of the year at fair value	2.64	-	2.08	-
	Actual return on plan assets	0.29	-	0.20	-
	Fund charges	(0.04)	-	(0.04)	-
	Employer's contribution	0.99	-	0.40	-
	Benefits paid	(0.58)	-	-	-
	Plan assets at the end of the year	**3.30**	**-**	**2.64**	**-**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
III	**Reconciliation of present value of defined benefit obligation and fair value of plan assets**				
1	Present value of obligation as at year-end	818.90	128.51	923.35	114.66
2	Fair value of plan assets at year -end	(3.30)	-	(2.64)	-
3	**Net liability recognised in standalone balance sheet**	**815.60**	**128.51**	**920.71**	**114.66**

		Year ended 31 March 2023		Year ended 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV	**Expenses to be recognised in the standalone statement of profit and loss**				
1	Current service cost	88.66	20.39	66.81	6.09
2	Interest cost	66.67	8.28	46.88	5.92
3	Expected return on plan assets	-	-	-	-
4	Actuarial loss	-	5.42	-	30.67
	Net cost recognised	**155.33**	**34.09**	**113.69**	**42.68**

		Year ended 31 March 2023	Year ended 31 March 2022
		Gratuity	Gratuity
V	**Expenses recognised in the standalone statement of other comprehensive income**		
	Actuarial (gain)/loss arising from changes in financial assumptions	(8.66)	220.81
	Actuarial gain arising from experience adjustment	(36.21)	(37.47)
	Return on plan assets	(0.06)	(0.01)
1	**Net actuarial (gain)/loss**	**(44.93)**	**183.33**

		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI	**Division of DBO at the end of the year**				
1	Current liability	251.12	40.93	413.45	90.83
2	Non-current liability	564.47	87.58	507.26	23.83

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VII	**Actuarial assumptions**				
1	Discount rate	7.38%	7.38%	7.22%	7.22%
2	Mortality table	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)
3	Salary escalation	9.00%	9.00%	9.00%	9.00%
4	Withdrawal rate	2%	2%	2%	2%
5	Rate of leave availment	-	2%	-	2%
6	Retirement age (years)	60	60	60	60
7	Rate of return on plan assets	7.36%	-	6.83%-7.02%	-

The Estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

VIII	Sensitivity Analysis		As at 31 March 2023		As at 31 March 2022	
			Impact on liabilities		Impact on liabilities	
	Assumption	**Changes in assumption**	**Increase**	**Decrease**	**Increase**	**Decrease**
	Gratuity					
	Discount rate	-/+0.5% movement	(44.79)	51.03	(40.53)	46.18
	Withdrawal rate	-/+50% movement	18.45	(21.19)	16.70	(19.18)
	Future salary growth	-/+0.5% movement	53.27	(47.36)	48.21	(42.86)
	Mortality rate	-/+10% movement	4.38	(4.75)	3.97	(4.30)
	Leave encashment					
	Discount rate	-/+0.5% movement	(49.25)	56.11	(38.33)	43.67
	Withdrawal rate	-/+50% movement	20.29	(23.30)	15.79	(18.14)
	Future salary growth	-/+0.5% movement	58.57	(52.08)	45.58	(40.53)
	Mortality rate	-/+10% movement	4.82	(5.22)	3.75	(4.07)

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

IX Description of risk exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks as follows -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The Plan expose the Company to the risk of fall in interest rates. A fall in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk - This is the risk that the Company is not able to meet the short-term benefit payout. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

E) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

X The following are maturity profile of Defined Benefit Obligations in future years (before adjusting fair value of plan assets):

	Gratuity		Leave Encashment	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
0 to 1 year	251.12	413.45	40.93	90.83
1 to 2 years	37.64	34.22	3.55	3.49
2 to 3 years	37.84	33.31	5.43	2.63
3 to 4 years	44.53	38.09	6.55	5.55
4 to 5 years	27.11	36.46	4.51	4.37
5 to 6 years	37.20	21.67	4.52	3.69
6 years onwards	383.45	346.16	63.02	4.09

XI Expected contribution for the next annual reporting period:

	Gratuity		Leave Encashment	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Service cost	116.90	77.39	-	-
Net interest cost	60.19	66.48	-	-
Expected expense for the next annual reporting period	**177.09**	**143.87**	**-**	**-**

47 Lease related disclosures as lessee

The Company's lease asset class primarily consists of leases for land, corporate office and depots. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate on the date of adoption, i.e., 12.16% (31 March 2022: 12.16%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right of use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities.

(i) Lease liabilities are presented in the standalone balance sheet as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Current	82.55	93.32
Non-current	34.91	95.31
Total	**117.46**	**188.63**

(ii) The following are amounts recognised in standalone statement of profit and loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets (Refer note 39)	124.60	114.36
Interest expense on lease liabilities (Refer note 38)	19.05	19.25
Rent expense* (Refer note 40)	323.19	255.85
Total	**466.84**	**389.46**

*Rent expense for short-term leases are not included in the measurement of lease liability.

(iii) The right-of-use assets related to leases of land and buildings are as follows:

Particulars	Amount
Balance as at 1 April 2021	1,639.73
Add: Addition on account of new leases entered during the year	242.16
Add: Adjustment due to modification in leases	-
Less: Depreciation expenses charged on right-of-use assets	114.36
Balance as at 31 March 2022	**1,767.53**
Add: Addition on account of new leases entered during the year	67.88
Add: Adjustment due to modification in leases	(42.89)
Less: Depreciation expenses charged on right-of-use assets	124.60
Balance as at 31 March 2023	**1,667.92**

(iv) Lease payments not recognised as a liability

The Company has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Company does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the standalone financials.

The expense relating to payments not included in the measurement of the lease liability for short-term leases is Rs. 323.19 lakh (31 March 2022 Rs. 255.85 lakh).

Total cash outflow for leases for the year ended 31 March 2023 was Rs. 116.77 lakh (31 March 2022 Rs.60.18 lakh).

(v) Maturity of lease liabilities

Future minimum lease payments for years ended 31 March 2023 were as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	91.38	8.83	82.55
Later than 1 year not later than 5 years	37.01	2.10	34.91
Later than 5 years	-	-	-
Total	**128.39**	**10.93**	**117.46**

Future minimum lease payments for years ended 31 March 2022 were as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	111.17	17.85	93.32
Later than 1 year not later than 5 years	102.63	7.32	95.31
Later than 5 years	-	-	-
Total	**213.80**	**25.17**	**188.63**

(All amounts are in Rupees lakh, unless otherwise stated)

48 Fair value measurements (Category-wise classification of financial instruments)

Financial Assets

	Particulars	Fair Value Hierarchy	As at 31 March 2023		As at 31 March 2022	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial assets measured at cost**					
	Non-current investments	Significant unobservable inputs (Level -3)	11.43	11.43	11.43	11.43
	(A)		**11.43**	**11.43**	**11.43**	**11.43**
2.	**Financial assets measured at FVTPL**					
	Non-current investments	Significant unobservable inputs (Level -3)	0.24	0.24	0.24	0.24
	(B)		**0.24**	**0.24**	**0.24**	**0.24**
2.	**Financial assets measured atamortised cost**					
	Non-current investments		571.55	-	566.76	-
	Current investments		3.73	-	7.45	-
	Trade receivables		10,751.74	-	7,848.54	-
	Cash and cash equivalents		2,116.26	-	15,973.26	-
	Other bank balances		220.78	-	263.00	-
	Loans		295.48	-	293.46	-
	Other financial assets		8,904.69	-	1,547.69	-
	(C)		**22,864.23**	**-**	**26,500.16**	**-**
	Total financial assets (A)+(B)+(C)		**22,875.90**	**11.67**	**26,511.83**	**11.67**

Financial liabilities

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial liabilities measured atamortised cost**				
	Borrowings	13,888.88	-	16,573.61	-
	Trade payables	9,999.08	-	9,752.11	-
	Lease liabilities	117.46	-	188.63	-
	Other financial liabilities	692.22	-	676.22	-
	Total financial liabilities	**24,697.64**	**-**	**27,190.57**	**-**

Fair value of financial assets and liabilities measured at amortised cost.

Valuation technique to determine fair values

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values due to their short-term nature.

For other financial liabilities/ assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

(All amounts are in Rupees lakh, unless otherwise stated)

Capital risk management

48.1 The Company's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Company may use appropriate means to enhance or reduce capital, as the case may be.

Particulars	As at 31 March 2023	As at 31 March 2022
Total borrowings (excluding lease liabilities)	13,888.88	16,573.61
Less: Cash and cash equivalents	2,116.26	15,973.26
Net debt	**11,772.62**	**600.35**
Total equity	33,663.95	33,484.49
Capital and net debt	**45,436.57**	**34,084.84**
Gearing ratio	26%	2%

49 Financial risk management

The Company's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other payables. The Company's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

A. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Company primarily sells paints and coatings to customers operating in India and outside India. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Company are held with banks which have high external rating. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans to employees and securities deposits

The Company provides loans to its employees and furnish security deposit to various parties for electricity, communication, etc. The Company considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

Investments

The Company has invested in unquoted equity instruments and preference shares of its subsidiaries, and other company. The management actively monitors the operation of subsidiaries and joint venture which affect investments. The Company does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Non-current investments	582.98	578.19
Current investments	3.73	7.45
Cash and cash equivalents	2,116.26	15,973.26
Other bank balances	220.78	263.00
Loans	295.48	293.46
Other financial assets	8,904.69	1,547.69
TOTAL	**12,123.92**	**18,663.05**
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	10,751.74	7,848.54
TOTAL	**10,751.74**	**7,848.54**

Provision for expected credit loss

a) **Financial assets for which loss allowance is measured using 12 months expected credit loss**

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

b) **Financial assets for which loss allowance is measured using life time expected credit loss**

For trade receivables, the Company follows the approach of a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables (net) before adjustment of expected credit loss provision of Rs. 770.11 lakh (31 March 2022 Rs. 1,014.12 lakh) as of the reporting date is as follows:

Age bracket	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Trade receivables (gross)	8,833.34	1,905.79	258.81	167.99	111.11	244.81	11,521.85
Less: Allowance for expected credit loss	263.80	33.53	64.27	52.59	111.11	244.81	770.11
Trade receivables (net)	8,569.54	1,872.26	194.54	115.40	-	-	10,751.74
Expected credit loss %	2.99%	1.76%	24.83%	31.31%	100.00%	100.00%	6.68%

Age bracket	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022							
Trade receivables (gross)	6,787.25	1,047.11	153.30	188.50	253.42	433.08	8,862.66
Less: Allowance for expected credit loss	194.79	56.46	77.24	102.69	253.42	329.52	1,014.12
Trade receivables (net)	6,592.46	990.65	76.06	85.81	-	103.56	7,848.54
Expected credit loss %	2.87%	5.39%	50.38%	54.48%	100.00%	76.09%	11.44%

(All amounts are in Rupees lakh, unless otherwise stated)

The movement in the allowance for in respect of trade receivables is as follows

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	1,014.12	1,587.50
Amount provided during the year	-	203.44
Amount adjusted during the year	(244.01)	(776.82)
Balance at the end of the year	**770.11**	**1,014.12**

B. Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

Expected maturity for financial liabilities having contractual undiscounted maturities as summarised below:

As at 31 March 2023	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	13,888.88	1,818.57	10,608.54	1,461.77	**13,888.88**
Lease liabilities	117.46	-	91.38	37.01	**128.39**
Trade and other payables	9,999.08	-	9,999.08	-	**9,999.08**
Other financial liabilities	692.22	-	682.05	10.17	**692.22**

As at 31 March 2022	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	16,573.61	2,886.27	5,482.37	8,204.97	**16,573.61**
Lease liabilities	188.63	-	111.17	102.63	**213.80**
Trade and other payables	9,752.11	-	9,752.11	-	**9,752.11**
Other financial liabilities	676.22	-	665.41	10.81	**676.22**

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest risk and commodity price risk which results from its operating, investing and financing activities.

a) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument wiil fluctuate because of changes in foreign exchange rates. The functional currency of the Company is Indian Rupees (INR) and most of the transactions are carried out in INR. Exposure to currency exchange rates mainly arises from the Company's overseas sales and purchases which are primarily denominated in US dollars (USD) and Euro (EUR).

The Company has limited exposure to the foreign currency risk and thereby it relies mainly on natural hedge. The carrying amounts of the Company's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows:

(All amounts are in Rupees lakh, unless otherwise stated)

Exposure in foreign currency - unhedged

Outstanding foreign currency exposure not being hedged against adverse currency fluctuation:

Particulars	Period	Foreign currency		Local currency	
Trade payables	31 March 2023	USD	0.62	INR	51.05
Trade payables	31 March 2022	USD	0.27	INR	23.54
Trade receivables	31 March 2023	USD	2.78	INR	227.56
Trade receivables	31 March 2022	USD	1.93	INR	145.23

The carrying amounts of the Company's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows:

The carrying amounts of the Company's foreign currency denominated monetary item are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	387.80	233.21
Financial liabilities		
Trade payables	(76.04)	(57.94)
Net assets / (liabilities)	**311.76**	**175.27**

Sensitivity Analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against foreign currency as at the year end would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

5% increase and decrease in foreign exchanges rates will have the following impact on standalone profit/(loss) before tax

Particulars	2022-23		2021-22	
	5% Increase	5% decrease	5% Increase	5% decrease
USD sensitivity				
Increase/ (decrease) in Standalone profit or loss	**15.59**	**(15.59)**	**8.76**	**(8.76)**

b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Company mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest rate risk exposure

Particulars	As at 31 March 2023		As at 31 March 2022	
	INR	Total	INR	Total
Fixed rate borrowings	-	-	-	-
Variable rate borrowings	13,888.88	13,888.88	16,573.61	16,573.61
Total borrowings	**13,888.88**	**13,888.88**	**16,573.61**	**16,573.61**

(All amounts are in Rupees lakh, unless otherwise stated)

Sensitivity on variable rate borrowings

Particulars	Impact on Profit / (Loss) before tax	
	31 March 2023	31 March 2022
INR borrowings		
Interest rate increase by 0.50%	(69.44)	(82.87)
Interest rate decrease by 0.50%	69.44	82.87

c) **Commodity price risk**

Commodity price risk is the risk that future cash flow of the Company will fluctuate on account of changes in market price of key raw materials. The Company is exposed to the movement in price of key raw materials in domestic and international markets.

d) **Other price sensitivity**

The Company is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

50 Related Party Disclosure as per Ind AS 24

A. List of Related Party and Relationship

Name of Related Party	Country of Incorporation	Ownership Interest	
		31 March 2023	31 March 2022
(a) Subsidiary Companies			
1 Shalimar Adhunik Nirman Ltd.	India	99.99%	99.99%
2 Eastern Speciality Paints & Coatings Pvt. Ltd.	India	100%	100%

(b) Key Managerial Personnel (KMP)	
1 Mr. Ashok Kumar Gupta	Managing Director
2 Mr. Alok Perti	Non-Executive Independent Director
3 Mr. Abhyuday Jindal	Non-Executive Non-Independent Director (Appointed w.e.f. 08 March 2022)
4 Mr. Ashok Kumar Agarwal	Non-Executive Independent Director (Ceased w.e.f. 11.08.2022)
5 Mr. Gautam Kanjilal	Non-Executive Independent Director (Ceased w.e.f. 25.09.2021)
6 Dr. Rajeev Uberoi	Non-Executive Independent Director (Appointed w.e.f. 11 May 2021)
7 Ms. Shruti Srivastava	Non-Executive Independent Director (Ceased w.e.f. 19 February 2023)
8 Mr. Souvik Pulakesh Sengupta	Non-Executive Non-Independent Director (Appointed w.e.f. 24 February 2022)
9 Mr. Vijay Kumar Sharma	Non-Executive Independent Director
10 Mr. Sanjiv Garg	Non-Executive Independent Director (Appointed w.e.f. 10 August 2022)
11 Ms. Shan Jain	Non-Executive Independent Director (Appointed w.e.f. 13 February 2023)
12 Mr. Mohit Kumar Donter	Chief Financial Officer (Appointed w.e.f. 26 June 2021)
13 Mr. Gautam	Company Secretary (Resigned w.e.f. 20 December 2021)
14 Ms. Shikha Rastogi	Company Secretary (Appointed w.e.f. 18 January 2022)
(c) Relative of KMP	
1 Mrs. Shelly	Spouse of Mr. Mohit Kumar Donter

(All amounts are in Rupees lakh, unless otherwise stated)

(d) Enterprises over which Person(s) (having control or significant influence over the Company / Key Management Personnel(s), along with their relatives) are able to exercise significant influence:	
1 Hella Infra Market Private Limited (w.e.f. 24 February 2022)	Other related party
2 Hella Infra Market Retail Private Limited (w.e.f. 24 February 2022)	Other related party
3 Hella Chemical Market Pvt. Ltd. (w.e.f. 24 February 2022)	Other related party
4 RDC Concrete (India) Pvt. Ltd. (w.e.f. 24 February 2022)	Other related party
5 Jindal Stainless (Hisar) Limited (w.e.f. 08 March 2022) (Amalgamated w.e.f. 02 March 2023)	Other related party
6 Jindal Stainless Limited (w.e.f. 08 March 2022)	Other related party

B. Related party transaction

Particulars	Amount	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest on Loans and Advances (Given)		
Shalimar Adhunik Nirman Ltd.	-	34.28
Reimbursement of expenses incurred by Company		
Eastern Speciality Paints & Coatings Pvt. Ltd.	0.22	0.02
Shalimar Adhunik Nirman Ltd.	1.75	2.95
Mr. Ashok Kumar Gupta	1.85	2.76
Mr. Mohit Kumar Donter	0.62	0.56
Mr. Gautam	-	0.08
Ms. Shikha Rastogi	0.04	0.05
Remuneration Paid to Key Management Personnel		
Mr. Ashok Kumar Gupta	250.00	250.00
Mr. Mohit Kumar Donter	63.48	57.58
Ms. Shikha Rastogi	24.25	5.89
Mr. Gautam	-	9.20
Salary payable at the end of the Year		
Mr. Ashok Kumar Gupta	12.93	12.93
Mr. Mohit Kumar Donter	3.37	4.39
Ms. Shikha Rastogi	1.33	1.84
Defined Benefit Obligation (Cumulative) for KMP		
I. Gratuity		
Mr. Ashok Kumar Gupta	12.79	8.14
Mr. Mohit Kumar Donter	2.74	1.00
Ms. Shikha Rastogi	0.92	0.14

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Amount	
	Year ended 31 March 2023	Year ended 31 March 2022
II. Compensated Absences		
Mr. Ashok Kumar Gupta	1.04	-
Mr. Mohit Kumar Donter	0.39	-
Ms. Shikha Rastogi	0.19	-
Hella Infra Market Private Limited		
Investment in Equity Shares	-	21,500.00
Investment in 9% Optionally Covertible Debentures (OCDs)	-	5,500.00
Interest accrued but not due on 9% OCDs	495.00	47.47
Share Warrants		
Hella Infra Market Private Limited	1,875.00	-
Virtuous Tradecorp Private Limited	1,000.00	-
JSL Limited	875.00	-

Particulars	Amount	
	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Jindal Stainless (Hisar) Limited	91.53	11.95
Jindal Stainless Limited	360.53	28.43
Hella Infra Market Retail Pvt. Ltd.	1,591.69	107.67
Hella Infra Market Private Limited	1,622.93	-
RDC Concrete (India) Pvt. Ltd.	667.10	-
Purchase of Products		
Hella Chemical Market Pvt. Ltd.	514.03	89.15
Hella Infra Market Retail Pvt. Ltd.- Rent	26.47	89.15
Rent		
Hella Infra Market Retail Pvt. Ltd.	26.47	-
Reimbursement of expenses		
Mrs. Shelly	5.00	-
Director's Sitting Fees:		
Mr. Alok Perti	3.90	3.50
Mr. Gautam Kanjilal	-	2.30
Dr. Rajeev Uberoi	5.30	5.70
Mr. Ashok Kumar Agarwal	0.70	2.30
Mr. Sanjiv Garg	1.50	-
Ms. Shruti Srivastava	2.65	1.60
Mr. Vijay Kumar Sharma	2.25	1.80
Ms. Shan Jain	0.50	-
Consultancy Fees:		
Ms. Shan Jain	2.00	-

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Outstanding Balances at the year ended	
	31 March 2023	31 March 2022
Loan and Investment		
Shalimar Adhunik Nirman Ltd.	875.50	868.90
Eastern Speciality Paints & Coatings Pvt. Ltd.	2.96	2.75
Receivables/ (Payables)		
RDC Concrete (India) Pvt. Ltd.	402.83	-
Jindal Stainless Ltd.	97.80	-
Hella Infra Market Retail Pvt. Ltd.	229.92	-
Hella Chemical Market Private Limited	(111.07)	-
Jindal Stainless (Hisar) Limited	8.80	-
Hella Infra Market Pvt. Ltd.	780.78	-
Hella Infra Market Retail Pvt. Ltd.- Rent	(9.91)	-

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions.

The remuneration to the KMP's does not include the provision made for gratuity and leave benefit as these are determined for the company as a whole.

51 Share based payments (Equity Settled)

The ESOP 2013 scheme was approved by the Board of Directors and the shareholders on 25 May 2013 and 06 August 2013 respectively. As per the ESOP 2013 scheme, options are granted to employees of the Company which will vest over the period of four years. The relevant details of the scheme are as follows:

I. Option movement during the year ended 31 March 2023

Particulars	31 March 2023		31 March 2022	
	No. of options	Weighted average exercise price (in Rs.)	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	4,000	111.22	10,500	111.22
Options granted during the year	-	-	-	-
Options lapsed during the year	4,000	111.22	6,500	111.22
Options exercised during the year	-	-	-	-
No. of options outstanding at the end of the year	-	-	4,000	111.22
No. of options exercisable at the end of the year	-	-	4,000	-

II. Weighted average remaining contractual life

	31 March 2023		31 March 2022	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
	-	-	4,000	5.64

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

III. Method and assumptions used to estimate the fair value of options granted:
The fair value has been calculated using the Black Scholes Option Pricing model.
The assumptions used in the model are as follows:

Variables	31 March 2023 Weighted Average	31 March 2022 Weighted Average
1. Risk-free rate of return	8.15%	8.15%
2. Time to maturity	-	-
3. Expected volatility	69.57%	69.57%
4. Expected divided yield	-	-
5. Exercise price (Rs.)	-	111.22
6. Price of the underlying share in market at the time of the option grant (Rs.)	166.00	166.00

IV.

Particulars	31 March 2023	31 March 2022
Employee option plan expense	(4.98)	(7.79)
Total liability at the end of the period	-	4.98

During the year, no share options have been exercised by the employees.

The Company did not grant any share options during the current and previous year.

52 Additional regulatory information
Ratios

Key Ratio Analysis						
Particulars	**Numerator**	**Denominator**	**As at 31 March 2023**	**As at 31 March 2022**	**% change**	**Reason for variance if more than 25%**
Current Ratio (in times)	Total Current Assets	Total Current Liabilities	1.40	1.79	-22%	Not Applicable
Debt equity ratio (in times)	Total borrowings	Total Equity (equity share capital + other equity)	0.41	0.49	-17%	Not Applicable
Debt Service Coverage Ratio (DSCR) (in times)	Profit before tax, exceptional items, depreciation, finance costs	Finance cost + scheduled principal repayments (excluding prepayments) in respect of long term debts	(0.47)	(0.61)	-22%	Not Applicable
Return on Equity (ROE) (in %)	Profit after tax for the year	Average total equity	-10.75%	-22.28%	-52%	Improvement in ROE is mainly due to improvement in profitability due to better margins.
Inventory Turnover Ratio (in times)	Cost of goods sold ie cost of material consumed + purchase of stock in trade + change in inventories	Average inventory	3.41	2.92	17%	Not Applicable
Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average trade receivables	5.22	4.53	15%	Not Applicable

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Key Ratio Analysis						
Particulars	**Numerator**	**Denominator**	**As at 31 March 2023**	**As at 31 March 2022**	**% change**	**Reason for variance if more than 25%**
Trade Payable Turnover Ratio (in times)	Cost of goods sold ie cost of material consumed + purchase of stock in trade + change in inventories	Average trade payable	3.61	2.57	41%	Increase in raw material cost and reduction in trade payable lead to higher trade payable turnover ratio.
Net Capital Turnover Ratio (in times)	Revenue from operations	Average working capital (i.e. total current assets less total current liabilities)	3.75	6.54	-43%	Increase in revenue from operations and increase in average working capital (from negative last year to positive current year) resulted in higher positive net capital turnover ratio.
Net Profit Ratio (in %)	Net profit for the period	Revenue from operations	-7.4%	-16.7%	-56%	Improvement in margins primarily on account of lower input cost and reduction in finance cost due to repayment of loans have lead to improvement in net profit ratio
Return on Capital Employed (in %)	Profit before tax and finance cost	Capital Employed = net worth (equity share capital + other equity)	-5.3%	-9.7%	-45%	Higher losses during the year and increased capital employment have resulted in higher return on capital employed negatively
Return on Investment (%)	EBIT	Total Assets	Not applicable			The investment made by the Company, primarily not income bearing, the ratio of return on investment is not provided for.

53 Details of disclosure pursuant to Regulation 34 of SEBI (Listing, Obligations & Disclosure Requirements) Regulations, 2015 and disclosure under Section 186(4) of the Act:

Particulars	**31 March 2023**		**31 March 2022**	
	Shalimar Adhunik Nirman Ltd.	**Eastern Speciality Paints & Coatings Pvt Ltd.**	**Shalimar Adhunik Nirman Ltd.**	**Eastern Speciality Paints & Coatings Pvt Ltd.**
Investments				
Investment at the beginning of the year	576.26	1.93	583.18	5.00
Investment at the end of the year	581.06	1.93	576.26	1.93
Loan given				
Loan outstanding at the beginning of the year	292.64	0.82	255.46	0.80
Loan outstanding at the end of the year	294.44	1.04	292.64	0.82
Maximum balance outstanding during the year	875.50	2.97	868.90	2.75
Corporate guarantee on behalf of subsidiary company				
Corporate guarantee at the beginning of the year	-	-	-	-
Corporate guarantee at the end of the year	-	-	-	-
Rate of interest (%)	12% p.a.	12% p.a.	12% p.a.	12% p.a.

54 Restatement of standalone financial statements

The management has corrected certain prior period errors in accordance with the principles of IND AS 8, 'Accounting policies, Changes in Accounting Estimates and Errors' and Para – 40A of Ind AS 1, 'Presentation of Financial Statements', and the impact thereof has been presented below:

(a) Reversal of Deferred tax assets on account of absence of convincing evidence that the brought forward losses and unabsorbed depreciation would be utilised in future as per Ind AS 12 'Income Taxes'.

(b) Reclassification of leasehold land from Property, plant and equipment to Right-of-use-assets (ROU) along with impact of amortisation of ROU asset.

(c) Certain other adjustments like impact of processing fees on borrowings adjusted from borrowing by using effective interest rate, separate equity component from borrowing of the compound instrument along with its deferred tax impact and obsolescence for inventory based on management's assessment.

Standalone Balance Sheet as at 31 March 2022

(Rs. in lakh)

Particulars	31 March 2022 Published	Adjustment	31 March 2022 Restated
Assets			
Non-current assets			
Property, plant and equipment	24,170.79	(1,516.23)	22,654.56
Right-of-use-assets	182.26	1,585.27	1,767.53
Financial Assets			
i) Investments	87.02	491.41	578.43
ii) Loans	820.42	(526.91)	293.51
iii) Other financial assets	181.44	(63.00)	118.44
Deferred tax assets (net)	2,224.67	(2,224.67)	-
Non-current tax assets (net)	-	330.64	330.64
Other non-current assets	1.93	47.03	48.96
Current assets			
Inventories	9,733.57	(200.00)	9,533.57
Financial assets			
i) Investments	-	7.45	7.45
ii) Cash and cash equivalents	16,455.17	(481.91)	15,973.26
iii) Bank balances other than (ii) above	499.35	(236.35)	263.00
iv) Other financial assets	637.54	791.71	1,429.25
Current tax assets	330.64	(330.64)	-
Other current assets	1,644.49	(96.85)	1,547.64
Total assets	**56,969.29**	**(2,423.05)**	**54,546.24**
Equity and liabilities			
Equity			
Other Equity	34,178.74	(2,138.59)	32,040.15
Liabilities			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	8,458.32	(253.35)	8,204.97
Provisions	831.10	(300.00)	531.10
Current liabilities			
Financial Liabilities			
i) Borrowings	5,868.97	2,499.67	8,368.64
ii) Trade payables	10,599.88	(847.77)	9,752.11
iii) Other financial liabilities	2,537.77	(1,872.36)	665.41
Other current liabilities	625.20	(254.73)	370.47
Provisions	504.28	744.08	1,248.36
Total equity and liabilities	**63,604.26**	**(2,423.05)**	**61,181.21**

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Standalone Statement of Profit and Loss for the year ended 31 March 2022

Particulars	31 March 2022 Published	Adjustment	31 March 2022 Restated
Income			
Revenue from operations	35,809.60	9.49	35,819.09
Other income	501.40	(8.24)	493.16
Expenses			
Finance costs	2,217.10	12.50	2,229.60
Depreciation and amortisation expense	1,344.29	(6.20)	1,338.09
Tax expenses			
Deferred tax charge/(credit)	-	(58.62)	(58.62)
Exceptional items	1,076.34	(335.77)	740.57

Restatement in the Earnings per Share

Particulars	Year ended 31 March 2022 Published	Year ended 31 March 2022 Restated
Earnings/(Loss) per equity share ("EPS")		
Basic and Diluted EPS (in absolute Rs. terms)	(11.39)	(10.69)

Standalone Cash Flow Statement for the period ended 31 March 2022

Particulars	31 March 2022 Published	Adjustment	31 March 2022 Restated
Net cash used in operating activities	(4,067.59)	(2,080.29)	(6,147.88)
Net cash used in investing activities	(292.63)	(320.01)	(612.64)
Net cash generated from financing activities	20,555.95	1,912.64	22,468.59
Net change in cash & cash equivalents	**16,195.73**	**(487.66)**	**15,708.07**
Cash and cash equivalents at the beginning of the period	259.44	5.75	265.19
Cash and cash equivalents at at end of the period	16,455.17	(481.91)	15,973.26

Notes:

1. **Deferred tax asset reversal impact**

   During the previous years, the Company has created deferred tax on unabsorbed losses and depreciation, aggregating to Rs. 2,224.67 lakh as at 31 March 2022. According to the Ind AS 12, deferred tax assets shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Since, the Company has a history of recent losses and does not have strong evidence that sufficient taxable profit will be available, the Company decided to derecognise a deferred tax assets more than the sufficient taxable temporary differences in their financial statement. During the year, the Company has corrected the same and accordingly, restated the numbers as at 31 March 2022.

2. **Right of Use Classification**

   In previous years, the Company has applied Ind AS 116 accounting to one of the lease hold land ,but recorded the same under the heading Property, plant and equipment. As per the disclosure requirements, the Company has presented the said ROU amounting to Rs. 1,548.27 lakh under the "Right of use assets" in the standalone financial statement as a separate line item on the face of the balance sheet from the asset class of land under the heading "property, plant and equipment" and accordingly, restated the numbers as at 31 March 2022.

3. **Impact of interest free perpetual loan to subsidiary**

   In previous years, the Company had given an interest free perpetual loan to its wholly own subsidiary "Shalimar Adhunik Nirman Ltd" amounting to Rs. 526.91 lakh, which was disclosed under loan to related party under Loans- Non-current financial statement line item. In accordance with Ind AS 32 'Financial Instruments- Presentation' and Ind AS 109 'Financial Instruments'. the Company should, record such interest free perpetual loan as part of its investment in the subsidiary (amortised at cost) and no discounting or amortisation is required on the same. During the year, the Company has corrected the application of Ind AS 32 and 109 and accordingly, restated the numbers for the year ended 31 March 2022.

4. **Fixed deposits classification impact**

   As at 31 March 2022, the Company had a total fixed deposit balance of Rs. 13,303.93 lakh which was incorrectly classified as per Ind AS Schedule III. During the current year, the Company has corrected the classification within cash & cash equivalents (original maturities three months or less), bank balance other than cash & cash equivalent (original maturity of more than three months but less than 12 months) , other current and non-current financial asset (with more than 12 months maturity) in accordance with the Schedule III. Thus, the numbers are restated for the year ended 31 March 2022.

5. **Bills payable classification**

   As at 31 March 2023, the total balance of bill payables was Rs. 2,499.67 lakh, which was classified under trade payables. Since, on bills discounting for trade creditors with banks, the credit period extended to the Company as a result of the arrangement is significant in contrast to the general credit period extended by the trade creditors, this represents a short term finance arrangement for the Company and should be classified as a current "borrowing", and not as "trade payable". Accordingly, the Company has restated the numbers for the year 31 March 2023.

6. **Other reclassifications**

   During the year ended 31 March 2023, the Company has made certain reclassifications in the comparative balance sheet 31 March 2022. The Company has made such corrections by restating the balances of comparative balance sheet as at 31 March 2022.

55 Reconciliation between the opening and closing balances in the standalone balance sheet for liabilities arising from financing activities pursuant to Ind AS 7 'Statement of Cash Flows'

Particulars	Lease liabilities (Non-current and current)	Borrowings (Non-current and current)
Balance as at 01 April 2022	188.63	16,573.61
Cash flows (Net)	(97.72)	(2,831.97)
Non-cash changes:		
Recognition in lease liabilities (Net)	26.55	-
Impact of fair value changes	-	147.24
Impact of exchange fluctuations	-	-
Balance as at 31 March 2023	**117.46**	**13,888.88**

Particulars	Lease liabilities (Non-current and current)	Borrowings (Non-current and current)
Balance as at 01 April 2021	32.76	13,054.24
Cash flows (Net)	(40.93)	3,734.34
Non-cash changes:		
Recognition in lease liabilities (Net)	196.80	-
Impact of fair value changes	-	(214.97)
Impact of exchange fluctuations	-	-
Balance as at 31 March 2022	**188.63**	**16,573.61**

56 **Segment information**

The business activities of the Company predominantly fall within a single reportable business segment, i.e. manufacturing of paints within India and sale of paints within India and outside India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 on operating segments. The aforesaid is in line with review of operating results by the chief operating decision maker.

57 Loan and investment to related party (Refer note 8 & 9) includes the balance consideration of Rs. 499.00 lakh (interest free) receivable by the Company in cash as per the order of Hon'ble High Courts of Calcutta and Delhi, for transfer of its Real Estate Division to the subsidiary Company, Shalimar Adhunik Nirman Ltd. Additionally, Company has also given an additional loan of Rs. 322.35 lakh to the subsidiary.

58 (i) The Company had claimed Rs. 3,290.07 lakh in respect of Nashik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their survey report at Rs. 2,214.27 lakh (loss of production method) and at Rs. 2,263.24 lakh (turnover method) and thereafter further reduced the amount to Rs. 1,832.07 lakh. Against the aforesaid claim, the Company has received in total Rs. 1,614.16 lakh (Rs. 1,399.85 lakh, as interim payment during earlier financial years). The remaining amount of Rs. 214.31 lakh received during previous year had been shown under the head “Other Income”. Aggrieved with the assessment being not fully indemnified, the Company had invoked arbitration and has filed its claim of Rs. 1,257.35 lakh before the Arbitral Tribunal, which is currently pending for adjudication.

(ii) The Company had claimed Rs. 5,935.32 lakh in respect of Nashik Plant Fire under Reinstatement Policy, and the surveyor appointed by the insurer had assessed the claim vide their survey report at Rs. 2,188.79 lakh. Against the aforesaid claim, the Company had received total Rs. 2,091.58 lakh in earlier financial years. Aggrieved with the assessment being not fully indemnified, the Company had invoked arbitration and had filed its claim of Rs. 3,793.78 lakh before the Arbitral Tribunal, which is currently pending for adjudication.

59 During the previous year, the Company had reviewed and assessed old inventories of Rs. 1,605.00 lakh, against which provision of Rs. 682.14 lakh has been made with respect to processable and non-reprocessable inventory. The said provision has been shown as exceptional item in note 40.

60 Term Loan from financial institutions represent loan availed by Company for working capital for business needs.

61 The Division Bench of Hon’ble High Court of Calcutta passed an order on 07 May 2009 requiring the Company to give immovable property to the extent of Rs. 450.00 lakh as security in favour of Registrar (Original Side) Kolkata High Court, in the matter of Shalimar Paints Ltd vs. Tara Properties Pvt Ltd. (dispute pertaining to lease of the premises of Tara Properties Pvt Ltd. situated at 13, Camac Street, Kolkata). The Company has given portion of its land at Goaberia (adjacent to Howrah plant), as security in compliance of the Hon’ble High Court Order.

62 Previous year figures have been regrouped/rearranged/recast, whatever considered necessary to confirm to current year’s classification.

63 **Applicability of notes of general instruction for preparation of standalone financial statements (as per amended Schedule III, division-II of the Companies Act 2013)**

a The Company has used the borrowings from banks and financial institutions for the specific purposes for which it were taken at the balance sheet date. (Refer note 26)

b Title deeds of Immovable Properties are held in name of the Company (Refer note 5)

c The Company does not hold any investment property as defined under Ind AS 40.

d The Company has not revalued its Property, plant and equipment in the current and previous year. (Refer note 5)

e The Company has not traded or invested in crypto currency or virtual currency during the current and previous financial year. (Refer note 8 and 14).

f The Company has not revalued its intangible assets in the current and previous year (Refer note 7).

g The Company has not granted Loans or Advances in the nature of loans to its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person other than referred in note 50.

h No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

i (i) Reconciliation of statement shared with bank and books - Inventory:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 22	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 22 and 26	Inventories	11,255.66	11,455.22	(199.56)	Difference is due to book closure entries which pertains to provision of Rs. 199.56 lakh done in the opening balance as a re-statement adjustment.
Sept 22				10,724.80	10,719.90	4.90	Difference is due to book closure entries.
Dec 22				10,876.82	11,180.63	(303.82)	Difference is due to book closure entries which pertains to sales reversal impact of Rs. 303.82 lakh.
Mar 23				11,358.17			The statement for March’23 has not been filed till 27 May 2023.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

i (ii) Reconciliation of statement shared with bank and books - Inventory:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 21	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 22 and 26	Inventories	8,330.76	8,578.36	(247.60)	Difference is due to book closure entries which pertains to provision of Rs. 247.60 lakh.
Sept 21				8,384.12	8,631.78	(247.66)	Difference is due to book closure entries which pertains to provision of Rs. 247.60 lakh.
Dec 21				8,059.78	8,541.57	(481.79)	Difference is due to book closure entries which pertains to provision of Rs. 481.79 lakh.
Mar 22				9,533.57	10,294.50	(760.93)	Difference is due to book closure entries which pertains to provision of Rs. 560.93 lakh and opening balance re-statement adjustment of Rs. 200 lakh.

i (iii) Reconciliation of statement shared with bank and books - Receivables:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 22	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 22 and 26	Trade receivables	8,211.66	9,241.47	(1,029.81)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,056 lakh and stock transfer balance of Rs. 29 lakh.
Sept 22				9,509.53	11,348.24	(1,838.71)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 752 lakh, sales reversal of Rs. 1,103 lakh and stock transfer balance of Rs. 18 lakh.
Dec 22				10,291.35	11,450.17	(1,158.82)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,259 lakh, stock transfer balance of Rs. 37 lakh and grossing of debtors of Rs. 86 lakh.
Mar 23				10,751.74			The statement for March'23 has not been filed till 27 May 2023.

Notes to the Standalone Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

i (iv) Reconciliation of statement shared with bank and books - Receivables:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 21	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 22 and 26	Trade receivables	4,872.26	6,661.17	(1,788.91)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,728 lakh and stock transfer balance of Rs. 19 lakh.
Sept 21				6,697.38	8,358.54	(1,661.16)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,586 lakh and stock transfer balance of Rs. 36 lakh.
Dec 21				6,824.50	8,462.85	(1,638.35)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,586 lakh and stock transfer balance of Rs. 26 lakh.
Mar 22				7,848.54	8,709.48	(860.94)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,014 lakh, stock transfer balance of Rs. 26 lakh and grossing up of trade receivables of Rs. 220 lakh.

j The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender.

k Details of struck-off companies with whom the Company has transactions during the year or outstanding balance:

Name of struck-off company	Nature of transactions with struck-off companies	As at 31 March 2023	As at 31 March 2022
Expedite AR Management Pvt. Ltd.	Receivables	0.76	0.76

l The Company has registered with Ministry of Corporate Affairs/ Registrar of Companies, all charges or satisfaction within the statutory time period.

m The Company is compliant in respect of number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

n The Company has not entered into any scheme of arrangement in the current and previous year.

o The Company has not advanced or loaned or invested funds to any person or entity including foreign entity with the understanding that the intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

p The Company has not received any funds from any person or entity including foreign entity with the understanding that the company shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

q In view of continued losses, the Company is not covered by Section 135 of the Companies Act, 2013 dealing with CSR activities.

r The Company has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

The accompanying notes are an integral part of standalone financial statements.
As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Independent Auditor's Report

To the Members of Shalimar Paints Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Shalimar Paints Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2023, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matters described below to be the key audit matters to be communicated in our report.

<table>
<tr><th colspan="2">Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>A.</td><td>Revenue recognition
(Refer Note 3.3 and 30 for details of revenue recognised during the year)
The Holding Company's revenue is derived primarily from manufacturing, selling and distribution of paints, coatings and providing related services recognised in accordance with the accounting policy described in the accompanying consolidated financial statements.
In accordance with the principles of Ind AS 115, Revenue from Contracts with Customers, ('Ind AS 115') revenue from the sale of products is recognised by the Holding Company when the performance obligation is satisfied, i.e., when the 'control' of the goods underlying the particular performance obligation is transferred to the customer. The performance obligations are generally considered to be satisfied by the management when the buyer examines the goods after taking delivery in accordance with the terms and conditions included in the revenue contracts.
Revenue recognition from sale of products also involves determination of variable consideration on account of volume discounts and other rebate programs run by the Holding Company, which requires estimates to be made by the management at each period end.</td><td>In view of the significance of the matter, our audit procedures included, but were not limited to the following:
a) Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards.
b) Obtained an understanding of the management's processes and controls relating to revenue recognition.
c) Evaluated the design and tested the operating effectiveness of Holding Company's key internal controls relating to revenue recognition.
d) Performed substantive testing of revenue transactions recorded during the year using statistical sampling by verifying the underlying supporting documents including customer contracts, purchase order, sales order, sales invoice and proof of delivery through dispatch/shipping documents.
e) Performed testing of samples of revenue transactions recorded during specific period before and after year-end by verifying underlying documents as above, to assess whether revenue was recognised in the correct period.</td></tr>
</table>

	Key audit matter	How our audit addressed the key audit matter
	Further, the Holding Company and its external stakeholders focus on revenue as a key performance measure, which could be an incentive or external pressures to meet expectations resulting in revenue being overstated or recognized before control has been transferred.	f) Performed analytical procedure which include variance analysis of current year revenue with previous year revenue and corroborating the variance considering both qualitative and quantitative factors. g) Tested on a sample basis rebates and discount schemes as approved by the management to assess its accounting. For the samples selected compared that the actual rebates and discounts recognized in respect of particular schemes do not exceed their approved amounts. h) Circularised balance confirmations for invoices outstanding at the year-end on a sample basis and reviewed the reconciling items, if any. i) Assessed that the adequacy of disclosures made by the Holding Company management are in accordance with the applicable accounting standards.
B.	**Provision for Obsolescence of Inventory** (Refer Note 3.5 and 12 for details of inventory as at 31 March, 2023). The Holding Company held inventories aggregating Rs. 11,358.17 lacs as at 31 March, 2023 comprising of raw materials, work-in progress, stock-in-trade, finished goods, packaging materials and stores, spares and consumables, on which the Holding Company has recorded an obsolescence provision amounting to Rs. 277.47 lacs as at 31 March 2023. At each reporting period end, the management assesses whether there is any objective evidence indicating that the net realisable value of any item of inventory is below its carrying value. If so, such inventories are written down to their net realisable value in accordance with the requirements of Ind AS 2, Inventories ('Ind AS 2'). The factors that the Holding Company considers in determining the provision for slow moving, obsolete and other non-saleable inventory include estimated remaining shelf life, product discontinuances and ageing of inventory, to the extent each of these factors impact the Holding Company's business and markets. The Holding Company considers all these factors and adjusts the inventory provision to reflect its actual experience on a periodic basis. The aforesaid determination involves significant management judgement and high estimation uncertainty on account of usage of slow moving, obsolete and other non-saleable inventory. Considering the above, provision for obsolescence of inventory has been considered as key audit matter for the current period audit.	Our audit procedures for testing provision for obsolescence of inventory included, but were not limited to the following: a) Obtained an understanding of management's process to identify slow-moving, obsolete, and other non-saleable inventory, and process of consequent measurement of required provision for obsolescence. b) Evaluated the appropriateness of related accounting policies adopted by the Holding Company in accordance with the requirements of Ind AS 2 ('Ind AS 2'); c) Evaluated the design, implementation and tested the operating effectiveness of key controls that the Holding Company has in relation to aforesaid process; d) Evaluated the nature, source and reliability of all the information used by the management for arriving at the estimates for determination of provision for obsolescence of inventory; e) For the provision made in respect of non-processable inventory and reprocessing cost to be incurred on re-processable inventory, discussed with the senior management the basis of identification of such inventory along with the judgement and estimates used. We have evaluated the aforesaid in view of our understanding of the business and industry conditions. Further, reperformed computations to validate the accuracy and completeness of such provision; and f) Evaluated appropriateness of disclosures made in the consolidated financial statements.
C.	**Impairment assessment of freehold land at Kolkata** As described in Note 3.6 to the consolidated financial statements, In year 2014 the operations in Holding Company's Kolkata plant were suspended after a fire incident as a result of which the land at Kolkata plant is not used to its full capacity. The aforesaid matter is impairment indicator and triggered a need for impairment assessment. Management, during the year ended 31 March 2023, has carried out valuation of land whereby the carrying amount of the land was compared with the recoverable value as determined under the principles of Ind AS 36.	Our audit procedures for impairment assessment of Kolkata (Howrah) freehold land included, but were not limited to the following: a) Discussed with the management, future plans of the Holding Company with respect to alternate use of the plant and future revival of operations of the plant. b) Assessed the appropriateness of the impairment accounting policies and its compliances with applicable accounting standards.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
The aforesaid recoverable value has been determined by the management with the help of an external valuation expert using market approach and the key assumptions underpinning such valuation are guideline rate published by state government. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in the impairment evaluation, impairment assessment of the land at Kolkata plant was determined as a key audit matter.	c) Obtained an understanding of the management's processes and tested the design and operating effectiveness of internal controls over identification and impairment test procedures d) Reviewed the valuation report with respect to Howrah land at Kolkata plant and fair value obtained by the management from an independent valuer and assessed the professional competence, skills and objectivity of the valuer for performing the required valuation; e) Assessed the appropriateness of the significant assumptions as well as the Holding Company's valuation methodology and assumptions with the support of auditor's valuation specialists. f) Evaluated the adequacy and appropriateness of disclosures made by the Holding Company in the consolidated financial statements, as required by the applicable provisions of the Act and the requirement of Ind AS 36.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.
8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

Independent Auditor's Report

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

10. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances . Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.;
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the consolidated financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

15. We did not audit the financial statements of two subsidiaries, whose financial statements reflects total assets of Rs. 2,725.06 Lakhs and net assets of Rs. 1573.81 Lakhs as at 31 March 2023, total revenues of Rs. 0.00 Lakhs and net cash outflows amounting to Rs. 0.00 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Independent Auditor's Report

16. The consolidated financial statements of the Group for the year ended 31 March 2022 were audited by the predecessor auditor, A.K. DUBEY & Co., who have expressed an unmodified opinion on those consolidated financial statements vide their audit report dated 26 May 2022.

Report on Other Legal and Regulatory Requirements

17. As required by section 197(16) of the Act based on our audit and on the consideration of the report(s) of the other auditor(s), referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company, have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that two subsidiary companies, whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.
18. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
19. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, , we report, to the extent applicable, that:
    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.
    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure II' wherein we have expressed an unmodified opinion; and
    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries:
        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 43 to the consolidated financial statements;
        ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;
        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, during the year ended 31 March 2023;
        iv. a. The respective managements of the Holding Company and its subsidiary companies, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief , as disclosed in note 59 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

            b. The respective managements of the Holding Company and its subsidiary companies, have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 59 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company and its subsidiary companies have not declared or paid any dividend during the year ended 31 March 2023.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 23508685BGYCRI2308

Place: Gurugram
Date: 27 May 2023

Annexure 1 to the Independent Auditor's Report to the members of Shalimar Paints Limited on the consolidated financial statements for the year ended 31 March 2023

List of entities included in the Statement

Holding Company

1. Shalimar Paints Limited

Subsidiaries:

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

Annexure II

Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Shalimar Paints Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI') . These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements

6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that

receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI .

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of Rs. 2,725.06 Lakhs and net assets of Rs. 1,573.81 Lakhs as at 31 March 2023, total revenues of Rs. 0.00 Lakhs and net cash outflows amounting to Rs. 0.00 Lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 508685
UDIN: 23508685BGYCRI2308

Place: Gurugram
Date: 27 May 2023

SHALIMAR PAINTS

Consolidated Balance Sheet as at 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Notes	As at 31 March 2023	As at 31 March 2022 (Refer note 50)
Assets			
Non-current assets			
Property, plant and equipment	5.1	25,209.53	25,373.36
Right-of-use assets	5.2	1,667.92	1,767.53
Capital work-in-progress	6	170.68	16.81
Intangible assets	7	334.02	413.41
Financial assets			
i) Investments	8	0.24	0.24
ii) Other financial assets	9	141.50	120.49
Non-current tax assets (Net)	10	285.26	330.64
Other non-current assets	11	15.43	48.01
Total non-current assets		**27,824.58**	**28,070.49**
Current assets			
Inventories	12	11,358.17	9,532.57
Financial assets			
i) Trade receivables	13	10,751.74	7,848.94
ii) Cash and cash equivalents	14.1	2,121.49	15,978.59
iii) Bank balances other than (ii) above	14.2	220.78	263.00
iv) Other financial assets	15	8,765.40	1,429.25
Current tax assets (Net)	16	99.83	-
Other current assets	17	1,224.73	1,548.25
Total current assets		**34,542.14**	**36,600.60**
Total assets		**62,366.72**	**64,671.09**
Equity and liabilities			
Equity			
Equity share capital	18	1,444.35	1,444.35
Other equity	19	33,810.54	33,635.14
Total equity		**35,254.89**	**35,079.49**
Liabilities			
Non-current liabilities			
Financial liabilities			
i) Borrowings	20	1,461.77	8,204.97
ii) Lease liabilities	21	34.91	95.31
iii) Other financial liabilities	22	10.10	10.81
Provisions	23	602.14	531.08
Deferred Tax	40	247.95	247.95
Total non-current liabilities		**2,356.87**	**9,090.12**
Current liabilities			
Financial liabilities			
i) Borrowings	24	12,427.11	8,368.64
ii) Lease liabilities	25	82.55	93.32
iii) Trade payables	26		
Total outstanding dues to micro enterprises and small enterprises		1,010.56	665.12
Total outstanding dues to trade payables other than micro enterprises and small enterprises		8,990.95	9,088.74
iv) Other financial liabilities	27	682.05	665.76
Provisions	28	1,089.48	1,248.35
Other current liabilities	29	472.26	371.55
Total current liabilities		**24,754.96**	**20,501.48**
Total liabilities		**27,111.83**	**29,591.60**
Total equity and liabilities		**62,366.72**	**64,671.09**
Significant accounting policies	1-4		
The accompanying notes are an integral part of consolidated financial statements.			

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Consolidated Statement of Profit and Loss for the year ended 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Notes	Year ended 31 March 2023	Year ended 31 March 2022 (Refer note 50)
Income			
Revenue from operations	30	48,555.00	35,819.33
Other income	31	721.27	454.03
Total income		**49,276.27**	**36,273.36**
Expenses			
Cost of materials consumed	32	34,556.18	25,251.35
Purchases of stock-in-trade	33	2,447.86	1,786.21
Changes in inventories of finished goods, stock -in -trade and work-in-progress	34	(1,343.56)	(184.70)
Employee benefits expense	35	5,342.96	4,148.44
Finance costs	36	1,589.94	2,228.43
Depreciation and amortisation expenses	37	1,270.51	1,339.68
Other expenses	38	9,026.94	7,057.13
Total expenses		**52,890.83**	**41,626.54**
Loss before exceptional items and tax		**(3,614.56)**	**(5,353.18)**
Exceptional items	39	-	740.57
Loss before tax		**(3,614.56)**	**(6,093.75)**
Tax expense	40		
Deferred tax		-	(58.62)
Total tax expense		-	**(58.62)**
Loss for the year		**(3,614.56)**	**(6,035.13)**
Other comprehensive income	41		
a. Items that will not be reclassified to Profit or Loss			
Re-measurement of defined benefit plans		44.93	(183.33)
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-	-
Total other comprehensive income/(loss) for the year		**44.93**	**(183.33)**
Total comprehensive loss for the year		**(3,569.63)**	**(6,218.46)**
Earnings per equity share of face value of Rs. 2/- each	42		
1) Basic (in Rs.)		(5.01)	(10.76)
2) Diluted (in Rs.)		(5.01)	(10.76)
Significant accounting policies	1-4		
The accompanying notes are an integral part of consolidated financial statements.			

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Consolidated Cash Flow Statement as at 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022 (Refer Note 50)
A. Operating activities		
Loss before tax	(3,614.56)	(6,093.75)
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and amortision on property, plant and equipment, on intangible assets and right-of-use assets	1,269.62	1,339.54
Interest expense	1,586.22	2,230.43
Interest income classified as investing cash flow	(512.37)	(216.42)
Loss on disposal of property, plant and equipment	0.81	-
Excess provisions (written back)/ written off	(198.62)	50.63
Unrealised gain on foreign curency translations	(10.61)	(1.83)
Provision for inventory obsolescence	397.70	682.14
Allowance for expected credit loss	-	203.44
Operating profit before working capital changes	**(1,081.81)**	**(1,805.82)**
Working capital adjustments:		
Increase in inventories	(2,222.30)	(1,534.60)
Increase in trade receivables	(2,893.38)	(78.51)
Decrease/ (Increase) in other current and non-current financial asset	459.00	(199.16)
Decrease in other current and non-current asset	420.86	75.60
Increase / (Decrease) in other current and non-current financial liability	79.37	(1,727.48)
Increase / (Decrease) in other current liability	103.29	(160.78)
Increase / (Decrease) in trade payables	440.24	(1,430.45)
(Decrease) / Increase in provisions	(43.78)	705.05
Total cash used in operations	**(4,738.51)**	**(6,156.15)**
Income Tax paid	(54.45)	(24.31)
Net cash used in operating activities (A)	**(4,792.96)**	**(6,180.46)**
B. Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,118.42)	(306.50)
Proceeds from disposal of property, plant and equipment	3.49	21.36
Loan given to subsidiary	(1.97)	-
Investment in bank deposits	(7,541.35)	(487.26)
Interest received	280.60	197.54
Net cash used in investing activities (B)	**(8,377.65)**	**(574.86)**
C. Financing activities		
Issue of share capital	-	358.33
Securities premium on account of issue of equity shares	-	20,606.23
Issue of optionally convertible debentures	-	5,500.00
Proceeds from share warrants	3,750.00	-
Proceeds from long-term borrowings	-	3,384.51
Repayment of long-term borrowings	(1,508.31)	(2,061.29)
Repayment of short-term borrowings (Net)	(1,323.66)	(3,088.88)
Repayment of lease liabilities	(116.77)	(60.18)
Interest paid [including interest on lease liabilities Rs. 19.05 lakh (31 March 2022 Rs. 19.25 lakh)]	(1,487.75)	(2,170.00)
Net cash flows (used in)/ from financing activities (C)	**(686.49)**	**22,468.72**
Net change in cash and cash equivalents (D=A+B+C)	**(13,857.10)**	**15,713.40**
Cash and cash equivalents at the beginning of year (E)	**15,978.59**	**265.19**
Cash and cash equivalents at the end of year (D+E) (Refer note 14)	**2,121.49**	**15,978.59**
i) Cash Balance on Hand	0.12	0.12
ii) Balance with Banks :		
-In Current Accounts	2,121.37	3,670.45
-Bank deposits with original maturity of less than 3 months	-	12,308.02
Total	**2,121.49**	**15,978.59**

Refer note 51 for reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes pursuant to Ind AS 7

The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Statement Of Change In Equity for the year ended 31 March 2023

(All amounts are in Rupees lakh, unless otherwise stated)

A	Equity Share Capital	Notes	No. of shares	Amount
	Equity share capital as at 1 April 2021		54,300,259	1,086.02
	Changes in equity share capital during the year		17,916,667	358.33
	Equity share capital as at 31 March 2022	18	72,216,926	1,444.35
	Changes in equity share capital during the year		-	-
	Equity share capital as at 31 March 2023	18	**72,216,926**	**1,444.35**

B Other equity

Particulars	Notes	Reserves & Surplus				Equity portion of optionally convertible debentures	Money received against share warrants	Total
		Securities premium	Share options outstanding	General reserve	Retained earnings			
Balance as at 1 April 2021		**25,784.86**	**12.78**	**4,061.71**	**(8,638.23)**	**-**	**-**	**21,221.12**
-Changes in accounting policy or prior period error		-	-	-	(2,224.67)	-	-	(2,224.67)
Restated balance as at 1 April 2021 (Refer note 50)		**25,784.86**	**12.78**	**4,061.71**	**(10,862.90)**	**-**	**-**	**18,996.45**
-Loss for the year		-	-	-	(6,423.33)	-	-	(6,423.33)
-Other comprehensive income for the year								
Remeasurement of defined benefit plans		-	-	-	(183.33)	-	-	(183.33)
-Addition during the year		21,141.67	(7.80)	-	-	-	-	21,133.87
Balance as at 31 March 2022	19	**46,926.53**	**4.98**	**4,061.71**	**(17,469.56)**	**-**	**-**	**33,523.66**
-Changes in accounting policy or prior period error (Refer note 50)		(535.77)	-	-	421.77	225.48	-	111.48
Restated balance as at 1 April 2022 (Refer note 50)		**46,390.76**	**4.98**	**4,061.71**	**(17,047.79)**	**225.48**	**-**	**33,635.14**
-Loss for the year		-	-	-	(3,614.56)	-	-	(3,614.56)
-Other comprehensive income for the year		-						
Remeasurement of defined benefit plans		-	-	-	44.93	-	-	44.93
-Addition/deletion during the year		-	(4.97)	-	-	-	3,750.00	3,745.03
Balance as at 31 March 2023	19	**46,390.76**	**0.01**	**4,061.71**	**(20,617.42)**	**225.48**	**3,750.00**	**33,810.54**

The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

Notes to the Consolidated Financial Statements for the year ended 31 March 2023

1 Company background

Shalimar Paints Limited (“the Holding Company”) is a public limited Company domiciled in India. The registered office of the Company is located at Stainless Centre, 4th floor, Plot no.- 50, Sector 32, Gurugram, 122001, Haryana. The shares of the Company are listed on National Stock Exchange and Bombay Stock Exchange.

The Group ('the Holding Company and its two subsidiaries') is engaged in the business of manufacturing, selling and distribution of paints, coatings and providing related services.The Company has pan-India presence through its marketing offices in all major states in India and has its manufacturing units in Nashik, Howrah, Sikandrabad and Chennai.

2 Basis of consolidation

The consolidated financial statements comprises the financial statements of Shalimar Paints Limited ('the Holding Company') and its subsidiaries Shalimar Adhunik Nirman Limited and Eastern Speciality Paints & Coating Private Limied (herein collectively referred to as "Group")

These consolidated financial statements have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (‘Ind AS’) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013 (‘the Act’) and other relevant provisions of the Act and guidelines issued by the SEBI to the extent applicable. The accounting policies have been applied consistently over all the periods presented in these financial statements. The consolidated financial statements provide comparative information in respect of previous year. These consolidated financial statements are approved for issue by the Board of Directors on 27 May 2023.

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is treated as current if it satisfies any of the following conditions:

i. Expected to be realised or intended to be sold or consumed in normal operating cycle;

ii. Held primarily for the purpose of trading;

iii. Expected to be realised within twelve months after the reporting period; or

iv. Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current if it satisfies any of the following conditions:

i. It is expected to be settled in normal operating cycle;

ii. It is held primarily for the purpose of trading;

iii. It is due to be settled within twelve months after the reporting period; or

iv. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and its realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

The financial statements of all entities used for the purpose of consolidation are drawn upto same reporting date as that of the parent Company i.e. year ended 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

The following consolidation procedures are adopted

Subsidiary:

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

b) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill; and

c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Ind AS 12 ‘Income Taxes’ applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of Other Comprehensive Income (“OCI”) are attributed to the equity holders of the parent of the Group.

3 Significant accounting policies

3.1 Basis of measurement

The consolidated financial statements have been prepared under the historical cost convention on the accrual basis, except for the following assets and liabilities which have been measured at fair value:

- Property, plant and equipment (at fair value as deemed cost as at 1st April 2016);

- Financial assets and liabilities except certain investments, loans and borrowings carried at amortised cost;

- Defined benefit plans - plan assets measured at fair value;

- Share based payments

The consolidated financial statements are presented in Indian Rupees which is the Group's functional and presentation currency and all amounts are rounded to the nearest lakhs and two decimals thereof, except otherwise stated.

3.2 Fair value measurements

The Group measures financial instruments at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between independent market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. For assets and liabilities that are recognised in the consolidated balance sheet at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

3.3 Revenue recognition

Revenue is recognized upon transfer of control of promised goods or services to customers at an amount that reflects the consideration to which the Group is expected to be entitled to in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price allocated to that performance obligation as per contractually agreed terms with the customers. The transaction price of goods sold and services rendered is net of various discounts and schemes offered by the Group as part of the contract. Revenue is recorded provided the recovery of consideration is probable and determinable. Revenue from sale of goods and services transferred to distributors/intermediaries are recognised at a point in time.

a) Sale of goods:

Revenue from the sale of manufactured and traded goods products is recognised upon transfer of control of products to the customers which coincides with their handing over the goods to the transporter and is measured at fair value of consideration received/receivable, net of discounts, amount collected on behalf of third parties and applicable taxes.

b) Services rendered:

Revenue from service related activities is recognised as and when services are rendered and on the basis of contractual terms with the parties.

3.4 Other Income

Interest Income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

Dividend Income

Dividend income from investments is recognised when the Group's's right to receive dividend is established.

3.5 Inventories

Inventories are valued as follows:

a) Raw materials, components, stores and spares:

At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

b) Work-in-progress:

At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads including depreciation. Cost is determined on a weighted average basis.

c) Intermediate goods/ Finished goods:

i. Self manufactured - At lower of cost and net realisable value. Cost for this purpose includes material, labour and appropriate allocation of overheads. Cost is determined on a weighted average cost basis.

ii. Traded - At lower of cost and net realisable value. Cost of inventory comprises all costs of purchases, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition and is determined on a weighted average cost basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Obsolete, defective, unprocessable and slow/ non-moving stocks are duly provided for and valued at net realisable value.

3.6 Property, plant and equipment and capital work-in-progress

a) Measurement at recognition

Property, plant and equipment and capital work-in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

Cost comprises the purchase price, borrowing costs if capitalisation criteria are met and any directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

a) it is probable that future economic benefits associated with the item will flow to the entity; and

b) the cost of the item can be measured reliably.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increased the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Consolidated Statement of Profit and Loss for the period during which such expenses are incurred. Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as a part of indirect construction cost to the extent the expenditure is related to construction or is incidental thereto. Other indirect costs incurred during the construction periods which are not related to construction activity nor are incidental thereto are charged to the Consolidated Statement of Profit and Loss.

Capital work-in-progress includes cost of property, plant and equipment under installation/under development, other expenditure (including trial run / test run expenditures) during construction / erection period (net of income) pending allocation/ capitalization as at the balance sheet date.

b) Derecognition

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds or amount of security deposit adjusted and the carrying amount of the asset) is included in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

c) Depreciation

Depreciation on property, plant and equipment is provided on straight line method in the manner specified in Schedule II of the Companies Act, 2013 as given below and in respect of assets added/disposed off during the year on pro-rata basis with reference to the date of its use / disposal/residual value.

Factory building	30 years
Other than factory building	60 years
Plant & machinery	7 to 15 years
Office equipments	5 years
Computer	3 years
Tinting machines	10-15 years
Furnitures and fixtures	10 years
Vehicles	8 years

Depreciation is charged on fair valued amount less estimated salvage value. Leasehold land is amortized on a straight line basis over the remaining period of lease. Depreciation on tinting machines is basis the technical evaluation.

The useful lives, residual values of each part of an item of property, plant and equipment and the depreciation methods are reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

3.7 Intangible Assets

a) Measurement at recognition

Intangible assets are recognised when it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and cost of assets can be measured reliably. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

b) Amortisation

Intangible Assets with finite lives are amortised over the estimated useful economic life on straight line method.

The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss. The estimated useful life of intangible assets as per management is mentioned below:

Computer software	6 years
Trade mark	10 years
Technical know how	25 years

The amortisation period and the amortisation method for an intangible asset with finite useful life is reviewed at the end of each financial year.

c) Derecognition

The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

3.8 Leases

The Group as a lessee

The Group enters into an arrangement for lease of buildings and equipments. Such arrangements are generally for a fixed period but may have extension or termination options. In accordance with Ind AS 116 – Leases, at inception of the contract, the Group assesses whether a contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration’.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

a) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

b) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

c) The Group assesses whether it has the right to direct ‘how and for what purpose’ the asset is used throughout the period of use. At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses (unless such right of use assets fulfills the requirements of Ind AS 40 - Investment Property and is accounted for as there under), if any and adjusted for any re-measurement of the lease liability. The right-of-use asset is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. Right-of-use asset are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the Consolidated Statement of Profit and Loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

a) Fixed payments, including in-substance fixed payments;

b) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) Amounts expected to be payable under a residual value guarantee; and

d) The exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest rate method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in consolidated profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Group presents right-of-use assets that do not meet the definition of investment property and lease liabilities as a separate line item in the consolidated financial statements of the Group.

The Group has elected not to apply the requirements of Ind AS 116 - Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

3.9 Employee benefits

a) Contribution to provident and other funds

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

b) Gratuity

Gratuity is a defined benefit scheme. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The Group recognises termination benefit as a liability and an expense when the Group has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the termination benefits fall due more than twelve months after the balance sheet date, they are measured at present value of future cash flows using the discount rate determined by reference to market yields at the balance sheet date on government bonds.

Re-measurements, comprising actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the consolidated balance sheet with a corresponding debit or credit to retained earnings through Consolidated Other Comprehensive Income ("OCI") in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in Consolidated Statement of Profit and Loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring cost

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated Statement of Profit and Loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

c) Compensated absences (other long term employee benefits)

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit which are computed based on the actuarial valuation using the projected unit credit method at the period end. Actuarial gains/losses are immediately taken to the Consolidated Statement of Profit and Loss and are not deferred. The Group presents the leave as a current liability in the consolidated balance sheet to the extent it does not have an unconditional right to defer its settlement for twelve months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond twelve months, the balance is presented as a non-current liability.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

All other employee benefits payable/available within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognised in the Consolidated Statement of Profit and Loss in the period in which the employee renders the related service.

3.10 Share-based payments

Employees of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments which are classified as equity-settled transactions.

The cost of equity-settled transactions is determined by the fair value at the date of grant using an appropriate valuation model. That cost is recognised as an employee benefit expense with a corresponding increase in ‘Share option outstanding account’ in other equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group’s best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions.

Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification. Where an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Consolidated Statement of Profit and Loss.

3.11 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences arising on the settlement of monetary items or on restatement of the Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

3.12 Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds.

Borrowing costs attributable to acquisition or construction of qualifying asset that necessarily take a substantial period of time to get ready for their intended use is worked out on the basis of attributable of funds out of project specific loans and/or other borrowings to the extent identifiable with the qualifying asset and is capitalized with the cost of qualifying asset, using the effective interest method. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.13 Exceptional items

Items which are material by virtue of their size and nature, are disclosed separately as exceptional items to ensure that consolidated financial statements allow an understanding of the underlying performance of the business during the year and to facilitate comparison with prior year.

3.14 Income Taxes

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. It is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

a) Current income tax

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 and rules thereunder. Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

While determining the tax provisions, the Group assesses whether each uncertain tax position is to be considered separately or together with one or more uncertain tax positions depending upon the nature and circumstances of each uncertain tax position. The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realise the asset and liability simultaneously.

Minimum Alternate tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period.

b) Deferred Tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their book bases. Deferred tax liabilities are recognised for all temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.15 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments. The business activities of the Group predominantly fall within a single operating segment, i.e., manufacturing and sale of paints.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements, thus there are no additional disclosures to be provided under Ind AS 108 –“Segment Reporting”.

3.16 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted Earnings per Share, the net profit or loss for the period attributable to Equity Shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balance, short-term deposits with original maturities of three months or less and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated balance sheet.

3.18 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs of disposal and its value in use.

Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded Group's or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the Consolidated Statement of Profit and Loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Consolidated Statement of Profit and Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

3.19 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value, in the case of financial assets not recorded at fair value through profit or loss ("FVTPL"), transaction costs that are attributable to the acquisition of the financial asset, except for trade receivables which are initially measured at transaction price.

For purposes of subsequent measurement, financial assets are classified as follows:

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost where the asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and contractual terms of the asset give rise to cash flows on specified dates that are solely payments of principal and interest.

After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income from these financial assets is included in finance income in the Consolidated Statement of Profit and Loss. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income

Assets that are held for collection of contractual cashflows and for selling the financial assets, where the cash flow represent solely payments of principal and interest, are measured at fair value through other comprehensive income ("FVOCI"). The Group has not designated any debt instrument in this category.

c) Debt instruments at fair value through profit or loss

Fair Value Through Profit or Loss ("FVTPL") is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss. The Group has not designated any debt instrument in this category.

d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 'Business Combinations' applies are Ind AS classified as at FVTPL. Equity instruments included within the FVTPL category are measured at fair value with all changes recognised in the Consolidated Statement of Profit and Loss.

For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair values. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from consolidated OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

De-recognition

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive the contractual cash flows from the asset in a transaction in which substantially all the risks and rewards of ownership of the asset are transferred.

Impairment of financial assets

The Group measures the Expected Credit Loss ("ECL") associated with its assets based on historical trends, industry practices and the general business environment in which it operates. The impairment methodology applied depends on whether there has been a significant increase in credit risk. ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/ expense in the Consolidated Statement of Profit and Loss under the head 'other expenses'.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses are recognised in the Consolidated Statement of Profit and Loss, except for those attributable to changes in own credit risk, which are recognised in consolidated OCI. These gains/ loss are not subsequently transferred to the Consolidated Statement of Profit and Loss.

b) Financial liabilities at amortised cost

After initial recognition, financial liabilities designated at amortised costs are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Consolidated Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Consolidated Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivatives are initially recognised at fair value on the date of executing a derivative contract and are subsequently remeasured to their fair value at the end of each reporting period. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in the Consolidated Statement of Profit and Loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

3.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated Statement of Profit and Loss, net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

3.21 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration or is due from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

3.22 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the consolidated financial statements. Contingent assets are only disclosed when it is probable that the economic benefits will flow to the entity.

4 Significant management judgement in applying accounting policies and estimation uncertainty

The preparation of the Group’s consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities at the date of the consolidated financial statements. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In particular, the Group has identified the following areas where significant judgements, estimates and assumptions are required. Further information on each of these areas and how they impact the various accounting policies are described below and also in the relevant notes to the consolidated financial statements. Changes in estimates are accounted for prospectively.

i) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Provisions

At each balance sheet date basis the management judgement, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

c) Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

ii) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market change or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

a) Useful lives of tangible/intangible assets

The Group reviews its estimate of the useful lives of tangible/intangible assets at each reporting date, based on the expected utility of the assets.

b) Defined benefit obligation

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. In view of the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

c) Inventories

The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

d) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Consolidated Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

e) Allowance for expected credit loss

The Group applies Expected Credit Losses ("ECL") model for measurement and recognition of loss allowance on trade receivables. In accordance with In accordance with Ind AS 109 - Financial Instruments, the Group applies ECL model for measurement and recognition of impairment loss on the trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115 - Revenue from Contracts with Customers.

For this purpose, the Group follows 'simplified approach' for recognition of impairment loss allowance on the trade receivable balances. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

f) Application of new and revised Indian Accounting Standard (Ind AS)

All the Ind AS issued and notified by the Ministry of Corporate Affairs ('MCA') under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorised have been considered in preparing these consolidated financial statements

Standards issued but not effective

The Ministry of Corporate Affairs ("MCA") vide its notification dated March 31, 2023 has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 to further amend the Companies (Indian Accounting Standards) Rules, 2015. Amendments have been made to the following standards

Amendment to Ind AS 12 and Ind AS 101

Now the Initial Recognition Exemption (IRE) does not apply to transactions that give rise to equal and offsetting temporary differences. Narrowed the scope of IRE (with regard to leases and decommissioning obligations). Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented.

The application of this amendment is not expected to have a material impact on the Group's consolidated financial statements

Amendment to Ind AS 1 and Ind AS 34 and Ind AS 107

Companies should now disclose material accounting policies rather than their significant accounting policies. The application of this amendment is not expected to have a material impact on the Group's consolidated financial statements.

Amendment to Ind AS 8

Definition of 'change in account estimate' has been replaced by revised definition of 'accounting estimate'. As per revised definition, accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments listed above will be effective on or after April 1, 2023 and are not expected to significantly affect the current or future periods.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

5.1 Property, plant and equipment

Particulars	Land Free hold	Buildings	Plant & Machinery	Furniture & Fixtures	Motor Vehicles	Office Equipment	Leasehold Improvements	Total
Gross carrying value								
As at 1 April 2021	**12,369.02**	**9,631.40**	**6,704.25**	**86.27**	**115.51**	**306.72**	**1,306.02**	**30,519.19**
Additions for the year	-	49.37	136.47	0.22	4.89	30.91	19.56	241.42
Disposals/Adjustment for the year	-	(8.32)	(40.26)	(0.89)	-	(4.51)	-	(53.98)
As at 31 March 2022	**12,369.02**	**9,672.45**	**6,800.46**	**85.60**	**120.40**	**333.12**	**1,325.58**	**30,706.63**
Additions for the year	-	-	803.28	7.22	20.70	71.43	1.66	904.29
Disposals/Adjustment for the year	-	-	(2.77)	(6.92)	-	(2.07)	-	(11.76)
As at 31 March 2023	**12,369.02**	**9,672.45**	**7,600.97**	**85.90**	**141.10**	**402.48**	**1,327.24**	**31,599.16**
Depreciation								
As at 1 April 2021	**-**	**1,495.46**	**2,098.38**	**45.00**	**18.78**	**199.56**	**369.15**	**4,226.33**
Depreciation for the year	-	353.36	652.75	4.72	13.27	34.80	81.16	1,140.06
Disposals/Adjustment for the year	-	(2.74)	(25.67)	(0.72)	-	(3.99)	**-**	(33.12)
As at 31 March 2022	**-**	**1,846.08**	**2,725.46**	**49.00**	**32.05**	**230.37**	**450.31**	**5,333.27**
Depreciation for the year	-	319.00	614.90	4.08	15.27	32.81	77.71	1,063.77
Disposals/Adjustment for the year	-	-	(2.55)	(4.24)	-	(0.62)	-	(7.41)
As at 31 March 2023	**-**	**2,165.08**	**3,337.81**	**48.84**	**47.32**	**262.56**	**528.02**	**6,389.63**
Net carrying value								
Balance as at 31 March 2022	12,369.02	7,826.37	4,075.00	36.60	88.35	102.75	875.27	25,373.36
Balance as at 31 March 2023	12,369.02	7,507.37	4,263.15	37.06	93.78	139.92	799.22	25,209.53

The Property, plant and equipment block was tested for impairment in accordance with Ind AS 36 concluding no impairment to the carrying values.

Notes:

a) Refer note 24 for details regarding property, plant and equipment which are pledged as security.

b) Refer note 43B for disclosure of contractual commitments for the acquisition of property, plant and equipment.

c) All the title deeds of the immovable properties are held in the name of the Group.

5.2 Right-of-use assets

Particulars	Buildings Lease hold	Land Lease hold	Total Lease Assets
Gross carrying value			
As at 1 April 2021	**168.21**	**1,690.95**	**1,859.16**
Additions for the year	242.16	-	242.16
As at 31 March 2022	**410.37**	**1,690.95**	**2,101.32**
Additions for the year	67.88	-	67.88
Disposals/Adjustment for the year	(42.89)	-	(42.89)
As at 31 March 2023	**435.36**	**1,690.95**	**2,126.31**
Depreciation			
As at 1 April 2021	**140.17**	**79.26**	**219.43**
Depreciation for the year	87.94	26.42	114.36
As at 31 March 2022	**228.11**	**105.68**	**333.79**
Depreciation for the year	98.17	26.43	124.60
As at 31 March 2023	**326.28**	**132.11**	**458.39**
Net carrying value			
Balance as at 31 March 2022	182.26	1,585.27	1,767.53
Balance as at 31 March 2023	109.08	1,558.84	1,667.92

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

6 Capital work-in-progress

Particulars	Amount
Gross carrying value	
As at 1 April 2021	**35.03**
Additions for the year	262.42
Capitalised during the year	(280.64)
As at 31 March 2022	**16.81**
Additions for the year	1,020.73
Capitalised during the year	(866.86)
As at 31 March 2023	**170.68**
Net carrying value	
Balance as at 31 March 2022	16.81
Balance as at 31 March 2023	170.68

Ageing of capital work-in-progress is as follows:

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years*	Total
As at 31 March 2023					
Projects in progress	163.28	-	-	7.40	170.68
Total	**163.28**	**-**	**-**	**7.40**	**170.68**
As at 31 March 2022					
Projects in progress	9.41	-	7.40	-	16.81
Total	**9.41**	**-**	**7.40**	**-**	**16.81**

Note:

There are no project as on each reporting period where activity has been suspended. Also, there are no projects as on each reporting period which has exceeded cost as compared to its original plan or where completion is over due.

* Capital work-in-progress more than 3 years is expected to be capitalised in the financial year 2023-24.

7 Intangible assets

Particulars	Computer Software	Technical Know How	Trade Mark	Total
As at 1 April 2021	**644.71**	**68.47**	**49.78**	**762.96**
Additions for the year	39.22	-	-	39.22
As at 31 March 2022	**683.93**	**68.47**	**49.78**	**802.18**
Additions for the year	2.75	-	-	2.75
As at 31 March 2023	**686.68**	**68.47**	**49.78**	**804.93**
Accumulated amortisation				
As at 1 April 2021	**238.42**	**22.59**	**42.49**	**303.50**
Amortisation for the year	77.93	2.53	4.80	85.26
Disposals/Adjustment for the year	0.01	-	-	0.01
As at 31 March 2022	**316.36**	**25.12**	**47.29**	**388.77**
Amortisation for the year	79.61	2.53	-	82.14
As at 31 March 2023	**395.97**	**27.65**	**47.29**	**470.91**
Net Carrying Value				
Balance as at 31 March 2022	367.57	43.35	2.49	413.41
Balance as at 31 March 2023	290.71	40.82	2.49	334.02

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

8 Non-current investments

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares/units	Amount	No. of Shares/units	Amount
A. Investment in others in fully paid equity shares (at FVTPL) (unquoted)				
(i) Woodlands Multispeciality Hospital Limited				
Fully paid up shares of Rs.10 each	**2,350**	0.24	**2,350**	0.24
Total		**0.24**		**0.24**
Grand Total		**0.24**		**0.24**
Aggregate amount of unquoted investments		**0.24**		**0.24**
Aggregate amount of impairment in the value of investments		**-**		**-**

9 Other non-current financial assets

Particulars	As at 31 March 2023	As at 31 March 2022
Financial assets at amortised cost		
Security deposits	116.93	107.36
Balance in deposit accounts with more than 12 months maturity *	24.57	13.13
TOTAL	**141.50**	**120.49**

* These deposits includes items held as security against letter of credits

10 Non-current tax assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Advance income tax (Net of provision for income tax)	285.26	330.64
TOTAL	**285.26**	**330.64**

11 Other non-current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid expenses	15.43	48.01
TOTAL	**15.43**	**48.01**

12 Inventories (valued at lower of cost or net realisable value)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw material	3,639.65	3,344.68
Work-in-progress	580.79	495.52
Finished goods	6,831.94	5,573.65
Stores and spares	305.79	118.72
TOTAL	**11,358.17**	**9,532.57**

Notes:

a) Finished goods Rs. 6,831.94 lakh (31 March 2022 Rs. 5,573.65 lakh) is shown net off provision of Rs. 323.46 lakh (31 March 2022 Rs. 688.40 lakh) made in respect of non-processable inventory, reprocessing cost to be incurred on re-processable inventory and variances on account of physical verification performed by the Group.

b) Finished goods includes trading goods Rs. 572.61 lakh (31 March 2022 Rs. 422.89 lakh) and goods-in-transit Rs. 204.86 lakh (31 March 2022 Rs. 208.43 lakh).

c) The cost of inventories recognised as an expense during the year is disclosed in notes 32, 33 and 34.

d) Refer note 20 and 24 for information on inventory pledged as security by the Group.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

13 Trade receivables

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured		
-Considered good	10,751.74	7,848.94
-Credit impaired	770.11	1,014.12
	11,521.85	8,863.06
Less: Allowance for credit impaired trade receivables	(770.11)	(1,014.12)
TOTAL	**10,751.74**	**7,848.94**

Notes:

(i) For trade receivables from related parties, Refer note 48.

(ii) Trade receivables are non interest bearing and credit period generally falls in the range of 0 to 120 days.

(iii) Refer note 20 and note 24 for information on trade receivables pledged as security by the Group.

(iv) There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

(v) No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 48.

Ageing schedule of trade receivables is as follows:

Sr No	As at 31 March 2023	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable- considered good	8,569.54	1,872.26	194.54	115.40	-	-	**10,751.74**
(ii)	Undisputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivable- credit impaired	263.80	33.53	53.33	29.67	110.84	232.43	**723.60**
(iv)	Disputed trade receivable- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivable- credit impaired	-	-	10.94	22.92	0.27	12.38	**46.51**
	Gross Trade Receivables	**8,833.34**	**1,905.79**	**258.81**	**167.99**	**111.11**	**244.81**	**11,521.85**
	Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	770.11
	TOTAL	**8,833.34**	**1,905.79**	**258.81**	**167.99**	**111.11**	**244.81**	**10,751.74**

Sr No	As at 31 March 2022	Outstanding for following periods from due date of payment						
		Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed trade receivable- considered good	6,592.86	990.65	76.06	85.81	-	103.56	**7,848.94**
(ii)	Undisputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii)	Undisputed trade receivable- credit impaired	194.79	56.46	77.24	101.58	249.24	85.70	**765.01**
(iv)	Disputed trade receivable- considered good	-	-	-	-	-	-	**-**
(v)	Disputed trade receivable- which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi)	Disputed trade receivable- credit impaired	-	-	-	1.11	4.18	243.82	**249.11**
	Gross Trade Receivables	**6,787.65**	**1,047.11**	**153.30**	**188.50**	**253.42**	**433.08**	**8,863.06**
	Less: Allowance for Expected Credit Loss	-	-	-	-	-	-	1,014.12
	TOTAL	**6,787.65**	**1,047.11**	**153.30**	**188.50**	**253.42**	**433.08**	**7,848.94**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

14.1 Cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Balance with banks in current account	2,121.37	3,670.45
Cash on hand	0.12	0.12
Balance in deposit with original maturity of less than three months	-	12,308.02
TOTAL	**2,121.49**	**15,978.59**

14.2 Bank balances other than cash and cash equivalents

Particulars	As at 31 March 2023	As at 31 March 2022
Deposits with bank held as margin money	0.39	1.48
Deposit with original maturity of more than 3 months but less than 12 months	220.39	261.52
TOTAL	**220.78**	**263.00**

15 Other financial assets- current

Particulars	As at 31 March 2023	As at 31 March 2022
Unsecured and considered good		
Security deposits	84.98	60.00
Other receivables	114.04	606.51
Interest accrued on term deposits	262.57	31.02
Advance to employees	10.08	10.46
Balance in deposit accounts	8,293.73	721.26
TOTAL	**8,765.40**	**1,429.25**

16 Current tax assets (Net)

Particulars	As at 31 March 2023	As at 31 March 2022
Current tax assets	99.83	-
TOTAL	**99.83**	**-**

17 Other current assets

Particulars	As at 31 March 2023	As at 31 March 2022
Advances other than capital advances		
Advances to suppliers	370.71	668.72
Advance to employees	51.43	37.98
Capital advances	104.60	40.65
Others		
Prepaid expenses	111.41	113.50
Balance with government authorities	586.58	687.40
TOTAL	**1,224.73**	**1,548.25**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

18 Equity Share Capital

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised share capital		
100,000,000 (31 March 2022: 100,000,000) equity shares of Rs. 2/- each	2,000.00	2,000.00
Issued,subscribed and fully paid up		
72,216,926 (31 March 2022: 72,216,926) equity shares of Rs. 2/- each	1,444.34	1,444.34
Share Forfeiture Account	0.01	0.01
	1,444.35	**1,444.35**

Notes:

(i) **Reconciliation of number of shares and share capital outstanding at the beginning and end of the year -**

Particulars	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning	72,216,926	1,444.34	54,300,259	1,086.01
Add: Preferential Allotment	-	-	17,916,667	358.33
Balance at the end	**72,216,926**	**1,444.34**	**72,216,926**	**1,444.34**

(ii) **Terms/rights attached to equity shares**

The Group has one class of equity shares having a par value of Rs 2/- each. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Group after distribution of all Preferential amounts, in proportion to their shareholding.

(iii) During the previous year, on 24 February 2022, the Group had made preferential allotment of 17,916,667 equity shares of face value Rs. 2 each at the price of Rs. 120 per share (including premium of Rs. 118 per share) aggregating to Rs. 21,500 lakh [equity share capital Rs. 358.33 lakh and securities premium reserves Rs. 21,141.67 lakh (Refer note 19)] to Hella Infra Market Private Limited pursuant to members approval at Extra-ordinary General Meeting held on 10 February 2022.

(iv) **Proceeds from the second right issue have been utilised in the following manner -**

Particulars	Proposed to be utilised	Proposed to be utilised (Revised)*	Utilised during FY 2018-19	Utilised during FY 2019-20	Utilised during FY 2020-21	Balance utilised during FY 2021-22
Project of reinstatement of paint manufacturing plant at Nashik	4,568.43	4,492.08	2,035.22	2,210.46	50.24	196.16
Setting up of Regional Distribution Centre (RDC) at Nashik	340.00	40.00	-	40.00	-	-
Long-term working capital requirements	11,737.50	12,113.85	8,709.15	3,404.70	-	-
Expenses for right issue	26.27	26.27	26.27	-	-	-

*Represents increase in the allocation of funds towards long-term working capital requirement, and the same has been allocated through reduction in Nashik project (including RDC) cost.

(v) **Details of shareholders holding more than 5% shares in the Group***

Name of Shareholder	As at Mar 31, 2023		As at Mar 31, 2022	
	No. of shares held	% of holding	No. of shares held	% of holding
Virtuous Tradecorp Pvt. Ltd.	13,354,462	18.49%	13,354,462	18.49%
Mrs. Veera Gupta	46,82,952	6.48%	46,82,952	6.48%
Hella Infra Market Private Limited	18,045,745	24.99%	17,977,745	24.89%

The Group does not have any holding / ultimate holding Company.

*As per the records of the Group, including its register of members.

(All amounts are in Rupees lakh, unless otherwise stated)

(vi) **Details of shares held by promoters at the end of the year**

Promoter Name	As at Mar 31, 2023			As at Mar 31, 2022		
	No. of shares	% of shares held	% Change during the year	No. of shares	% of shares held	% Change during the year
Hina Devi Goyal	50,000	0.07%	0.00%	50,000	0.07%	0.00%
Kusum Mittal	50,000	0.07%	0.00%	50,000	0.07%	0.00%
Sminu Jindal	12,468	0.02%	0.00%	12,468	0.02%	0.00%
Sarita Devi Jain	20,000	0.03%	0.00%	20,000	0.03%	0.00%
Sangita Jindal	31,000	0.04%	0.00%	31,000	0.04%	0.00%
Deepika Jindal	89,062	0.12%	0.00%	89,062	0.12%	0.00%
Savitri Devi Jindal	36,515	0.05%	0.00%	36,515	0.05%	0.00%
Hind Strategic Investments	-	0.00%	0.00%	-	0.00%	-5.24%
Urvi Jindal	1,65,545	0.23%	0.00%	1,65,545	0.23%	0.23%
R K Jindal & Sons HUF	30,750	0.04%	0.00%	30,750	0.04%	0.00%
P R Jindal HUF	14,606	0.02%	0.00%	14,606	0.02%	0.00%
S K Jindal and Sons HUF	12,300	0.02%	0.00%	12,300	0.02%	0.00%
Naveen Jindal	36,515	0.05%	0.00%	36,515	0.05%	0.00%
Prithavi Raj Jindal	85,500	0.12%	0.00%	85,500	0.12%	0.00%
Sarika Jhunjhunuwala	27,43,141	3.80%	0.00%	27,43,141	3.80%	2.24%
Shivang Jhunjhunwala	13,20,723	1.83%	0.00%	13,20,723	1.83%	0.76%
Surya Kumar Jhunjhunwala	9,23,286	1.28%	0.00%	9,23,286	1.28%	0.00%
Ritu Jhunjhunwala	13,94,289	1.93%	0.00%	13,94,289	1.93%	1.12%
Gaurang Jhunjhunwala	13,94,289	1.93%	0.00%	13,94,289	1.93%	1.12%
Ratan Jindal	-	0.00%	0.00%	-	0.00%	-0.23%
OPJ Trading Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
Nalwa Investments Limited	2,70,569	0.37%	0.00%	2,70,569	0.37%	0.00%
Mansarover Tradex Limited	52,500	0.07%	0.00%	52,500	0.07%	0.00%
Stainless Investments Limited	82,500	0.11%	0.00%	82,500	0.11%	0.00%
Sun Investments Private Limited	82,500	0.11%	0.00%	82,500	0.11%	0.00%
Jindal Equipment Leasing and Consultancy Services Limited	1,02,500	0.14%	0.00%	1,02,500	0.14%	0.00%
Colarado Trading Co Ltd	12,24,635	1.70%	0.00%	12,24,635	1.70%	0.00%
Hexa Securities and Finance Co Ltd	15,00,000	2.08%	0.00%	15,00,000	2.08%	0.00%
Abhinandan Investments Limited	55,000	0.08%	0.00%	55,000	0.08%	0.00%
Gagan Infraenergy Limited	500	0.00%	0.00%	500	0.00%	0.00%
Nalwa Sons Investments Limited	13,72,590	1.90%	0.00%	13,72,590	1.90%	0.00%
Opelina Sustainable Services Private Limited	500	0.00%	0.00%	500	0.00%	0.00%
Virtuous Tradecorp Private Limited	1,33,54,462	18.49%	0.00%	1,33,54,462	18.49%	0.00%
JSL Limited	23,21,983	3.22%	0.00%	23,21,983	3.22%	0.00%
Systran Multiventures Private Limited	100	0.00%	0.00%	100	0.00%	0.00%

The above list of promoters is as per Section 2(69) of the Companies Act, 2013.

(vii) Over the period of five years immediately preceeding 31 March 2023 and 31 March 2022, bonus shares were not issued. Further, no shares were bought back during the said period.

19 Other Equity

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium	46,390.76	46,390.76
Share options outstanding	0.01	4.98
General reserve	4,061.71	4,061.71
Retained earnings	(20,617.42)	(17,047.79)
Equity portion of optionally convertible debentures	225.48	225.48
Money received against share warrants	3,750.00	-
TOTAL	**33,810.54**	**33,635.14**

i. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utiilised in accordance with the provisions of the Act.

ii. Share options outstanding

The above reserve relates to the share options granted by the Group to its employees under its employee share option plan. Further information about share-based payments to employees is set out in note 49 to the Consolidated Financial Statements.

iii. General reserve

Under the erstwhile Companies Act, 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of Profits to Reserve) Rules, 1975. Consequent to introduction of the Companies Act, 2013, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

iv. Retained earnings (including revaluation reserve)

Retained Earnings are created from the profit/ loss of the Company, as adjusted for distributions to owners, transfers to other reserves, etc. Retained earnings balance includes revaluation reserve amounting to Rs. 10,871.32 lakh (31 March 2022 Rs. 10,871.32 lakh).

v. Equity portion of optionally convertible debentures

As per debenture subscription agreement dated 18 January 2022, the Group has issued 3,055,556 number of unlisted, unsecured optionally convertible debentures of the face value of Rs. 180 each aggregating to Rs. 550,000,080 by way of preferential allotment on private placement basis. The said debentures are carrying interest @ 9% p.a. (payable quarterly) and optionally convertible into equity shares of 3,055,556 number at the discretion of debenture holder on or before August 2023 when the closing listed price of shares breaches the issue price of debenture.

vi. Money received against share warrants

Money received against share warrants is the amount received by the Group which is converted into shares at a specified date at a specified rate.

These warrants are carrying a right to subscribe one equity share per warrant. The price of the warrants have been determined in accordance with the ICDR Regulations. The preferential issue will be undertaken for cash consideration. An amount equivalent to 25% of the consideration is paid at the time of subscription and allotment of warrants and the balance 75% shall be payable at the time of allotment of equity shares pursuant to exercise of rights attached to warrants to subscribe to the equity shares.

20 Non-current borrowings at amortised cost

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term Loans :		
- from Banks	2,858.54	4,346.06
- from others (vehicle loan)	45.52	66.32
Unsecured		
- Optionally Convertible Debentures- from related party (Refer note 48)	5,433.27	5,286.02
	8,337.33	**9,698.40**
Less: Current maturities of long - term borrowings (Refer note 24)	6,875.56	1,493.43
TOTAL	**1,461.77**	**8,204.97**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Notes:

a) As per debenture subscription agreement dated 18 January 2022, the Group has issued 3,055,556 number of unlisted, unsecured optionally convertible debenture of the issue price of Rs. 180 each aggregating to Rs. 550,000,080 by way of preferential allotment on private placement basis.

The said debentures are carrying interest @ 9% p.a. (payable quarterly) and optionally convertible into equity shares of 3,055,556 number at the discretion of debenture holder on or before August 2023 when the closing listed price of shares breaches the issue price of debenture.

b) There are no default in repayments of principal borrowings or interest thereon.

c) The term loans have been used for the specific purpose for which they are availed.

Term Loan from Bank

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %	Repayments starting on	Repayments ending on	Repayment mode	No. of installments
Term Loan from Union Bank of India*	94.93	141.51	MCLR +0.60% p.a	28-Feb-2022	31-Jan-2025	Monthly	48
Union Guaranteed Emergency Credit Line (UGECL-2) scheme from Union Bank of India*	250.54	299.00	MCLR +0.60% or 9.25% whichever is lower p.a	31-Jul-2022	30-Jun-2025	Monthly	48
Working Capital Term Loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from Punjab National Bank*	170.25	227.00	MCLR +1% p.a	30-Apr-2022	31-Mar-2026	Monthly	48
Working Capital Term Loan limit under Guaranteed Emergency Credit Line (GECL- 2) scheme from State Bank of India*	609.13	860.00	MCLR +1% p.a	30-Apr-2022	30-Sep-2025	Monthly	48
Common Covid 19 Emergency Credit Line (CCECL)Loan*	-	66.67	1 year MCLR% p.a	31-Dec-2020	31-May-2022	Monthly	18
PNB Covid 19 Emergency Credit Facility (CECF) Loan from Punjab National Bank *	-	41.25	MCLR +0.50% p.a	30-Apr-2021	30-Sep-2022	Monthly	18
Term Loan from IDFC First Bank**#	1,733.69	2,710.63	13.05% (31 March 2022 -12.10%) p.a	14-Mar-2022	14-Dec-2024	Quarterly	12

These loans are secured by:

***(1) Primary Security**

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Group.

(2) Collateral Security

(i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Group's factory, at Nashik, Maharashtra;

(ii) first charge, by way of hypothecation of plant and machinery at the Group's factory situated at Howrah, West Bengal;

(iii) second charge, ranking pari passu, on the fixed assets of the Group at its factory situated at Sikandarabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets of the Group situated at village -Chinnapuliyur , Taluka-Gummidipoondi , District- Tiruvallur, Tamil Nadu.

**1st pari passu charge on movable fixed assets of the Group & Commercial land in Gurugram and commercial office in Mumbai.

On December 2021, the Group has raised term loan amounting to Rs. 3,000 lakh from IDFC first bank. Interest on the said loan was payable quarterly @ 13.05% (31 March 2022 12.10%) p.a. The Group has paid processing fees of Rs. 43.75 lakh and accordingly, the effective rate of interest was 13.16% p.a.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Vehicle Loan#

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %	Repayments starting on	Repayments ending on	Repayment mode	No. of installments
Vehicle Loan from Toyota Financial Service India Ltd.	6.51	13.75	9.5% p.a	20-Feb-2019	20-Jan-2024	Monthly	60
Vehicle Loan from Toyota Financial Service India Ltd.	4.00	5.93	8.9% p.a	10-Feb-2020	10-Jan-2025	Monthly	60
Vehicle Loan from Tata Motors Finance Ltd.	35.01	46.64	10.9% p.a	11-Nov-2020	11-Sep-2025	Monthly	59

#Secured by vehicle financed

Financial Institution Loan

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %	Repayments starting on	Repayments ending on	Repayment mode	No. of installments
Aditya Birla Finance Limited*	-	452.93	12.95% p.a	15-Sep-2019	15-Jun-2030	Monthly	130
Aditya Birla Finance Limited**	-	92.61	14% p.a	5-Feb-2022	5-Nov-2025	Monthly	48
Religare Finvest Ltd***	-	943.73	14% p.a	1-Aug-2016	1-Sep-2025	Monthly	118

These loans are secured by:

* First charge on Group's immovable property

situated at 5th Floor,C wing, Oberoi Garden Estate,Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072.

** Second charge on Group's immovable property situated at 5th Floor,C wing, Oberoi Garden Estate,Chandivalli Farm Road, Chandivali, Andheri (East), Mumbai-400072.

*** First charge on Group's immovable & movable properties of Sikandrabad plant situated at Plot No A1 & A2 UPSIDC Industrial Area, Sikandrabad Distt- Bulandshahar (U.P).

Cash Credit and WCDL from Banks

Particular of Loan	As at 31 March 2023	As at 31 March 2022	Rate of interest %
Working Capital Facilities	831.70	2,082.25	Ranges from 10.90% p.a. to 13.35% p.a.
Bank Overdrafts	986.87	804.02	Ranges from 6.60% p.a. to 7.20% p.a.

These loans are secured by:

Primary Security

First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Company.

Collateral Security

(i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Company's factory, at Nashik, Maharashtra;

(ii) first charge, by way of hypothecation of plant and machinery at the Company's factory situated at Howrah, West Bengal;

(iii) second charge, ranking pari passu, on the fixed assets of the Company at its factory situated at Sikandarabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets of the Company situated at village -Chinnapuliyur , Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

21 Non-current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	34.91	95.31
TOTAL	**34.91**	**95.31**

22 Other financial liabilities- non-current

Particulars	As at 31 March 2023	As at 31 March 2022
Security deposits	10.10	10.81
TOTAL	**10.10**	**10.81**

23 Provisions- non-current

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for employee benefits		
Defined benefit liability (Net) (Refer note 44)	564.47	507.27
Other long-term employee obligations (Refer note 44)	37.67	23.81
TOTAL	**602.14**	**531.08**

24 Current borrowings

Particulars	As at 31 March 2023	As at 31 March 2022
Secured		
Term Loans		
- from financial institutions [Refer note 20 (2) (ii)]*	-	1,489.27
Loans repayable on demand		
- From Banks (Cash Credit and WCDL)	1,818.57	2,886.27
Current maturities of long-term debt (Refer note 20)	6,875.56	1,493.43
Unsecured		
Loans repayable on demand		
- Bill Discounting	3,732.98	2,499.67
TOTAL	**12,427.11**	**8,368.64**

* On 07 April 2022, Group has prepaid the term loan from financial institutions amounting to Rs. 1,489.27 lakh. [Refer note 20 (ii)]

Cash Credit and WCDL from Banks

Particular of Loan	Rate of interest	As at 31 March 2023	As at 31 March 2022
State Bank of India*	6 Month MCLR +6.05% p.a	335.94	2,883.25
Punjab National Bank**	MCLR +6%	495.77	504.62
HDFC Bank**	1 year MCLR + spreads	-	504.96

* Secured by primary security

**First charge, ranking pari passu by way of hypothecation on the entire stocks and current assets of the Group.

Collateral Security

(i) first charge, by way of equitable mortgage of land and building, and hypothecation of other fixed assets thereon, of the Group's factory, at Nashik, Maharashtra;

(ii) first charge, by way of hypothecation of plant and machinery at the Group's factory situated at Howrah, West Bengal;

(iii) second charge, ranking pari passu, on the fixed assets of the Group at its factory situated at Sikandarabad ,Uttar Pradesh;

(iv) second charge, ranking pari passu, on the fixed assets of the Group situated at village -Chinnapuliyur , Taluka-Gummidipoondi, District- Tiruvallur, Tamil Nadu.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

25 Current financial liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities	82.55	93.32
TOTAL	**82.55**	**93.32**

26 Trade payables

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues to micro enterprises and small enterprises*	1,010.56	665.12
Total outstanding dues to trade payables other than micro enterprises and small enterprises	8,990.95	9,088.74
TOTAL	**10,001.51**	**9,753.86**

Notes:

*Includes interest payable to Micro, Small and Medium Enterprises (MSME) amounting to Rs. 123.02 lakh (31 March 2022 Rs. 263.99 lakh)

(i) For balance payable to related parties, Refer note 48

Ageing of trade payables is as follows:

Sr No	As at 31 March 2023	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues to micro enterprises and small enterprises	-	-	1,010.56	-	-	-	**1,010.56**
(ii)	Total outstanding dues to trade payables other than micro enterprises and small enterprises	1,607.72	-	7,033.19	21.61	30.63	297.80	**8,990.95**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of trade payables other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	TOTAL	**1,607.72**	**-**	**8,043.75**	**21.61**	**30.63**	**297.80**	**10,001.51**

Sr No	As at 31 March 2022	Outstanding for following periods from due date of payment						
		Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Total outstanding dues to micro enterprises and small enterprises	-	-	656.43	1.33	-	7.36	**665.12**
(ii)	Total outstanding dues to trade payables other than micro enterprises and small enterprises	1,651.90	-	6,733.47	139.84	126.57	436.96	**9,088.74**
(iii)	Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	**-**
(iv)	Disputed dues of trade payables other than micro enterprises and small enterprises	-	-	-	-	-	-	**-**
	TOTAL	**1,651.90**	**-**	**7,389.90**	**141.17**	**126.57**	**444.32**	**9,753.86**

The Micro, small and medium enterprises development (MSMED) Act, 2006

The information regarding Micro and Small enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group:

Particulars	As at 31 March 2023	As at 31 March 2022
Principal amount due thereon remaining unpaid to any supplier as at the end of each accounting year	1,010.56	665.12
Interest due on above remaining unpaid to any supplier as at the end of each accounting year	11.17	8.31
Interest paid by the Group in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year*	4,350.71	2,351.51
The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act**	41.50	28.37
The amount of interest accrued and remaining unpaid at the end of each accounting year.	123.02	263.99
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a (deductible expenditure under section 23 of MSMED Act, 2006).	123.02	263.99

Note:

* Includes principal amounting to Rs. 4,350.71 lakh (31 March 2022 Rs. 2,351.51 lakh).

** During the year, the Group has reversed MSME interest amounting to Rs. 193.65 lakh (Refer note 31).

27 Other financial liabilities- current

Particulars	As at 31 March 2023	As at 31 March 2022
Interest accrued and due	0.24	68.07
Payable for capital expenditure	31.27	24.88
Employee related payables	513.94	433.07
Other payables	136.60	139.74
TOTAL	**682.05**	**665.76**

*Other payables includes retention money and stale cheque.

28 Provisions- current

Particulars	As at 31 March 2023	As at 31 March 2022
Defined benefit liability (Net) (Refer note 44)	251.12	413.45
Other long term employee obligations (Refer note 44)	90.83	90.83
Provisions	747.53	744.07
TOTAL	**1,089.48**	**1,248.35**

* During the previous years, the Group has created provision in relation to matters for excise duty, DGFT and other civil cases wherein the Company believes the chances of succeding could be low aggregating to Rs. 747.53 lakh (31 March 2022 Rs. 744.07 lakh).

Movement in provision others

Particulars	As at 31 March 2023	As at 31 March 2022
Balance as at beginning of the year	744.07	739.47
Provision made during the year	3.46	29.83
Provision utilised during the year	-	(25.23)
Balance as at the year end	**747.53**	**744.07**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

29 Other current liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Contract balances		
Advances from customers	117.44	221.54
Statutory dues	354.82	150.01
TOTAL	**472.26**	**371.55**

30 Revenue from operations

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products	47,981.15	35,233.62
Rendering of services	387.52	395.26
Total (A)	**48,368.67**	**35,628.88**
Other operating revenues		
Scrap sale	178.03	180.72
Export incentive	8.30	9.73
Total (B)	**186.33**	**190.45**
Total operating income (A+B)	**48,555.00**	**35,819.33**

(a) Disaggregation of revenue

The Group has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by timing and geography of recognition.

Revenue by time:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Revenue recognised at point in time	47,981.15	35,233.62
Revenue recognised over time	387.52	395.26
TOTAL	**48,368.67**	**35,628.88**

Information about geographical area:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Net sales to external customers by geographic area by location of customers		
India	47,120.66	34,249.63
Outside India	1,248.01	1,379.25
Total	**48,368.67**	**35,628.88**
Non-current assets (other than non-current financial assets) by geographic area		
India	15.43	48.01
Outside India	-	-
	15.43	**48.01**

(b) Information about major customers

Revenues of Rs. 5,046.00 lakh (31 March 2022 Rs. 3,523.72 lakh) is derived from one customer, who individually accounted for more than ten percent of the total revenue.

(c) Changes in contract liabilities balances during the year are as follows:

Ind AS 115, 'Revenue from contracts with customers' also requires disclosure of revenue recognised in the reporting year that was included in the contract liability balance at the beginning of the year. Same has been disclosed as below:

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Contract liabilities primarily relate to advance consideration received from customers against supply of goods and services which is recognised as revenue at a point of time. Significant changes in the Contract liabilities balance during the year are as follows:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Opening balance	**221.54**	**196.61**
Addition during the year	117.44	221.54
Revenue recognised during the year	(221.54)	(196.61)
Closing balance	**117.44**	**221.54**

(d) Contract balances

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Advance from customers	117.44	221.54
TOTAL	**117.44**	**221.54**

(e) Reconciliation of revenue recognised in statement of profit and loss with contract price

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Contract price	54,206.04	39,825.78
Less: Discount	(6,224.89)	(4,592.16)
TOTAL	**47,981.15**	**35,233.62**

(f) Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are on account of the advance payment received from customer for which performance obligation has not yet been completed.

The performance obligation is satisfied when control of the goods or services are transferred to the customers based on the contractual terms. The Group does not have any remaining performance obligation as contracts entered for sale of goods are for a shorter duration. Further, there are no contracts for sale of services wherein, performance obligation is unsatisfied to which transaction price has been allocated.

Payment terms with customers vary depending upon the contractual terms of each contract and generally falls in the range of 0 to 120 days from the completion of performance obligation.

There is no significant financing component in any transaction with the customers.

31 Other income

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from-		
Fixed deposit with banks carried at amortised cost	495.65	35.65
Others	12.99	135.95
Other non-operating income		
Net gain on foreign curency transactions and translation	10.61	1.83
Miscellaneous receipts [Refer note 53 (i)]	202.02	280.60
TOTAL	**721.27**	**454.03**

32 Cost of materials consumed

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Cost of materials consumed	34,556.18	25,251.35
TOTAL	**34,556.18**	**25,251.35**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year	3,344.68	2,446.89
Add: Purchases during the year	34,851.15	26,149.14
	38,195.83	**28,596.03**
Less: Inventories at the end of the year	3,639.65	3,344.68
TOTAL	**34,556.18**	**25,251.35**

33 Purchases of stock-in-trade

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Purchases of stock-in-trade	2,447.86	1,786.21
TOTAL	**2,447.86**	**1,786.21**

34 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the end of the year		
Work-in-progress	580.79	495.52
Finished goods*	6,831.94	5,573.65
Total (A)	**7,412.73**	**6,069.17**
Inventories at the beginning of the year		
Work-in-progress	495.52	640.87
Finished goods*	5,573.65	5,443.60
Total (B)	**6,069.17**	**6,084.47**
Less: Impact of re-instatement of inventory (C)	-	(200.00)
Increase in inventory (B-A+C)	**(1,343.56)**	**(184.70)**

*Finished goods includes stock-in-trade

35 Employee benefits expense

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Salaries, wages and bonus*	4,853.78	3,748.65
Contribution to provident and other funds	400.07	329.61
Staff welfare expenses	89.11	70.18
TOTAL	**5,342.96**	**4,148.44**

* This includes reversal of employee stock option expense of Rs. 4.97 lakh (31 March 2022 Rs. 7.80 lakh) (Refer note 49).

36 Finance costs

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest expenses on items at amortised cost		
-On Cash Credit and WCDL	831.40	1,381.65
-On term loan	416.30	486.15
Other borrowing costs	323.19	341.38
Interest on lease liabilities	19.05	19.25
TOTAL	**1,589.94**	**2,228.43**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

37 Depreciation and amortisation expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Depreciation on property, plant and equipment	1,063.77	1,140.06
Depreciation on right-of-use assets	124.60	114.36
Amortisation on intangible assets	82.14	85.26
TOTAL	**1,270.51**	**1,339.68**

38 Other expenses

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Consumption of stores and spare parts	220.75	160.13
Power and fuel	605.34	515.68
Rent (Refer note 45)	323.19	255.85
Repairs to building	12.07	5.11
Repairs to plant and machinery	249.81	179.19
Repairs - others	135.45	142.80
Insurance	172.74	144.49
Rates and taxes	292.06	186.39
Printing and stationery	36.08	29.40
Communication expenses	70.02	60.60
Directors' fees	16.80	16.57
Payment to auditors*	29.90	16.67
Warehouse management charges	30.26	34.40
Travelling expenses	790.52	433.46
Application charges	386.89	395.00
Freight	2,822.86	2,480.77
Loss on disposal of property, plant and equipment	0.81	-
Allowance for credit impaired trade receivable	-	203.44
Marketing expenses	597.05	399.81
Contractual labour charges	1,291.27	789.41
Carrying and forwarding agent	102.97	129.45
Legal and professional charges	394.23	253.02
Recruitment expenses	77.99	14.88
Other welfare expenses	116.29	72.87
Miscellaneous expenses	251.59	137.74
TOTAL	**9,026.94**	**7,057.13**

*** Includes payment to statutory auditors of the Holding Company as follows:**		
Statutory audit fee	25.77	11.66
Tax audit fee	1.50	1.50
Certification fee and other services	-	1.80
Reimbursement of expenses	2.35	1.57
TOTAL	**29.62**	**16.53**

39 Exceptional items

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Provision for old and damage stock	-	682.14
Other balances written-off	-	58.43
TOTAL	**-**	**740.57**

(All amounts are in Rupees lakh, unless otherwise stated)

40 Deferred Tax

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
A Income tax recognised in the consolidated statement of profit and loss		
Current income tax:		
Current income tax charge	-	-
Adjustments in respect of current income tax of previous year expense/(credit)	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	58.62
Income tax expense reported in the consolidated statement of profit and loss	**-**	**58.62**

B Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31 March 2023 and 31 March 2022:

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Accounting profit before income tax	**(3,614.56)**	**(6,093.75)**
Tax at India's statutory income tax rate of 31.20% (31 March 2022 31.20%)	(1,127.74)	(1,901.25)
Other non-deductible expenses	6.08	8.48
Losses and unabsorbed depreciation on which deferred tax not created*	1,121.66	1,951.39
Income tax expense reported in the consolidated statement of profit and loss	**-**	**58.62**

*As at the year ended 31 March 2023 and 31 March 2022, the Group is having deferred tax assets comprising of deductible temporary differences, brought forward losses and unabsorbed depreciation under tax laws. However, in the absence of reasonable certainty as to its realization of Deferred Tax Assets (DTA), DTA has not been created.

C Deductible temporary differences for which no deferred tax asset is recognised in the Consolidated Balance Sheet:

Particulars	Year of expiry	As at 31 March 2023	As at 31 March 2023 Tax impact @ 31.20%	As at 31 March 2022	As at 31 March 2022 Tax impact @ 31.20%
Tax Losses	31-Mar-22	-	-	-	-
	31-Mar-23	177.56	55.40	177.56	55.40
	31-Mar-25	-	-	-	-
	31-Mar-26	525.43	163.93	525.43	163.93
	31-Mar-27	4,234.69	1,321.22	4,234.69	1,321.22
	31-Mar-28	6,266.12	1,955.03	6,266.12	1,955.03
	31-Mar-29	1,811.49	565.18	1,811.49	565.18
	31-Mar-30	1,762.50	549.90	1,762.50	549.90
	31-Mar-31	5,449.04	1,700.10	-	-
Total tax losses		**20,226.83**	**6,310.76**	**14,777.79**	**4,610.66**
Unabsorbed depreciation	No expiryperiod	6,972.29	2,175.36	6,015.82	1,876.94
Total		**27,199.12**	**8,486.12**	**20,793.61**	**6,487.60**

D Deferred tax liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax assets/ liabilities are attributable to the following items:		
Deferred tax assets		
- Loss & Expenses allowable u/s 35D	25.15	25.15
Subtotal (a)	25.15	25.15
Deferred tax liabilities		
-Depreciation & related items	(273.10)	(273.10)
Subtotal (b)	(273.10)	(273.10)
Less: MAT Credit Available	-	-
Net Deferred tax asset/ (liability) (a)+(b)	(247.95)	(247.95)

41 Other comprehensive income (OCI)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
The disaggregation of changes to OCI in equity is shown below		
Re-measurement of the defined benefit plans	44.93	(183.33)
Tax impact on re-measurement gain on defined benefit plans	-	-
TOTAL	**44.93**	**(183.33)**

42 Earnings Per Share (EPS)

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
(a) Net loss as attributable to equity shareholders	(3,614.56)	(6,035.13)
(b) Weighted average number of equity shares outstanding during the year for calculating basic EPS (Nos.)	72,216,926	56,067,382
(c) Effect of potential dilutive equity shares on employee stock option outstanding (Nos.)	-	4,000
(d) Weighted average number of equity shares outstanding during the year for calculating diluted EPS (Nos.)	72,216,926	56,071,382
Face value per equity share (Rs.)	2	2
Basic Earnings per share (Rs.)	(5.01)	(10.76)
Diluted Earnings per share (Rs.)	(5.01)	(10.76)

In financial year March 2023 potential equity shares have not been considered for the computation of diluted EPS as they are anti-dilutive in nature.

43 A. Contingent liabilities and claims against the Group

Particulars	As at 31 March 2023	As at 31 March 2022
Contingent liabilities, to the extent not provided for in respect of:		
a. Undertakings and letter of credit		
Letter of credit	1,109.24	4,307.05
b. Demands		
Excise duty	334.20	461.07
Sales Tax	613.84	729.87
Goods and Service Tax	83.54	-
Income tax*	503.81	245.78
Others (legal)	1,733.11	2,003.64

* It includes an order received by the Group from the Deputy Commissioner for the AY 2015-16 to add back income of Rs. 258.02 lakh during the previous year. However, there will be no additional demand on account of this addition of income as the Group has sufficient carry forward losses to adjust this addition. The Group has filed an appeal with Commissioner appeal Income Tax against the order.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
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(i) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The management believe that with respect to litigation disclosed as contingent liability will not require outflow of resources embodying economic benefits and will not have a material adverse effect upon the results of the operations, cash flows or financial condition of the Group.

B. Commitments

Particulars	As at 31 March 2023	As at 31 March 2022
(i) Estimated amount of contracts remaining to be executed on Capital Accounts and not provided for, net of advances of Rs. 104.60 lakh (31 March 2022 Rs. 40.65 lakh)	972.47	232.14
(ii) Guarantees issued by the Group's bankers on behalf of the Group	865.59	829.07

44 Gratuity and others post employement benefit plans :

a) Defined contribution plans

The Group makes fixed contribution towards provident fund and Employees' State Insurance (ESI) for qualifying employees. The provident fund plan is operated by the Regional Provident Fund Commissioner and the Group is required to contribute a specified percentage of payroll cost to fund the benefits. Similarly, the contribution is made in ESI at a specified percentage of payroll cost.

The Group recognised Rs. 207.98 lakh (31 March 2022 Rs. 161.59 lakh) for provident fund contributions and Rs. 2.55 lakh (31 March 2022 Rs. 1.75 lakh) for ESI contribution in the Consolidated Statement of Profit and Loss and included in "Employee benefits expense" in note 35. The contribution payable to these plans by the Group is at rates specified in the rules of the schemes.

b) Defined benefits obligation

Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The unfunded gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method.

c) Post employement benefits plan

Compensated absences

The Group recognises the compensated absences expenses in the Consolidated Statement of Profit and Loss based on actuarial valuation.

The following tables summarises the components of net benefit expense recognised in the Consolidated Statement of Profit and Loss and the funded status and amounts recognised in the consolidated balance sheet:

Particulars		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Change in present value of obligation during the year**				
	Present value of obligation at the beginning of the year	923.35	114.66	689.42	87.07
	- Current service cost	88.66	20.39	66.81	6.09
	- Interest cost	66.67	8.28	46.88	5.92
	Actuarial loss/(gains) on obligation	(44.88)	5.42	183.34	30.67
	Benefits paid	(214.90)	(20.24)	(63.10)	(15.09)
	Present value of obligation as at year-end	**818.90**	**128.51**	**923.35**	**114.66**
II	**Change in fair value of plan assets during the year**				
	Plan assets at the beginning of the year at fair value	2.64	-	2.08	-
	Actual return on plan assets	0.29	-	0.20	-
	Fund charges	(0.04)	-	(0.04)	-
	Employer's contribution	0.99	-	0.40	-
	Benefits paid	(0.58)	-	-	-
	Plan assets at the end of the year	**3.30**	**-**	**2.64**	**-**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
III	**Reconciliation of present value of defined benefit obligation and fair value of plan assets**				
1	Present value of obligation as at year-end	818.90	128.51	923.35	114.66
2	Fair value of plan assets at year -end	(3.30)	-	(2.64)	-
3	**Net liability recognised in consolidated balance sheet**	**815.60**	**128.51**	**920.71**	**114.66**

		Year ended 31 March 2023		Year ended 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
IV	**Expenses to be recognised in the consolidated statement of profit and loss**				
1	Current service cost	88.66	20.39	66.81	6.09
2	Interest cost	66.67	8.28	46.88	5.92
3	Expected return on plan assets	-	-	-	-
4	Actuarial loss	-	5.42	-	30.67
	Net cost recognised	**155.33**	**34.09**	**113.69**	**42.68**

		Year ended 31 March 2023	Year ended 31 March 2022
		Gratuity	Gratuity
V	**Expenses recognised in the consolidated statement of other comprehensive income**		
	Actuarial (gain)/loss arising from changes in financial assumptions	(8.66)	220.81
	Actuarial gain arising from experience adjustment	(36.21)	(37.47)
	Return on plan assets	(0.06)	(0.01)
1	**Net actuarial (gain)/loss**	**(44.93)**	**183.33**

		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI	**Division of DBO at the end of the year**				
1	Current liability	251.12	40.93	413.45	90.83
2	Non-current liability	564.47	87.58	507.26	23.83

(All amounts are in Rupees lakh, unless otherwise stated)

		As at 31 March 2023		As at 31 March 2022	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
VII	**Actuarial assumptions**				
1	Discount rate	7.38%	7.38%	7.22%	7.22%
2	Mortality table	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)	100 % IALM (2012 -14)
3	Salary escalation	9.00%	9.00%	9.00%	9.00%
4	Withdrawal rate	2%	2%	2%	2%
5	Rate of leave availment	-	2%	-	2%
6	Retirement age (years)	60	60	60	60
7	Rate of return on plan assets	7.36%	-	6.83%-7.02%	-

The Estimates of future salary increase considered in actuarial valuation, take account of inflation, seniority promotion and other relevant factors, such as supply and demand in the employment market.

VIII	Sensitivity Analysis		As at 31 March 2023		As at 31 March 2022	
			Impact on liabilities		Impact on liabilities	
	Assumption	**Changes in assumption**	**Increase**	**Decrease**	**Increase**	**Decrease**
	Gratuity					
	Discount rate	-/+0.5% movement	(44.79)	51.03	(40.53)	46.18
	Withdrawal rate	-/+50% movement	18.45	(21.19)	16.70	(19.18)
	Future salary growth	-/+0.5% movement	53.27	(47.36)	48.21	(42.86)
	Mortality rate	-/+10% movement	4.38	(4.75)	3.97	(4.30)
	Leave encashment					
	Discount rate	-/+0.5% movement	(49.25)	56.11	(38.33)	43.67
	Withdrawal rate	-/+50% movement	20.29	(23.30)	15.79	(18.14)
	Future salary growth	-/+0.5% movement	58.57	(52.08)	45.58	(40.53)
	Mortality rate	-/+10% movement	4.82	(5.22)	3.75	(4.07)

The sensitivity analysis above has been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

IX Description of risk exposures:

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Group is exposed to various risks as follows -

A) Salary Escalation Risk- The present value of the defined benefit plans calculated with the assumptions of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

B) Interest Rate Risk – The plan expose the Group to the risk of fall in interest rates. A fall in interest rate will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

C) Liquidity Risk - This is the risk that the Group is not able to meet the short-term benefit payout. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

D) Demographic Risk – The Group has used certain mortality and attrition assumptions in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumptions.

E) Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

(All amounts are in Rupees lakh, unless otherwise stated)

X The following are maturity profile of Defined Benefit Obligations in future years (before adjusting fair value of plan assets):

	Gratuity		Leave Encashment	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
0 to 1 year	251.12	413.45	40.93	90.83
1 to 2 years	37.64	34.22	3.55	3.49
2 to 3 years	37.84	33.31	5.43	2.63
3 to 4 years	44.53	38.09	6.55	5.55
4 to 5 years	27.11	36.46	4.51	4.37
5 to 6 years	37.20	21.67	4.52	3.69
6 years onwards	383.45	346.16	63.02	4.09

XI Expected contribution for the next annual reporting period:

	Gratuity		Leave Encashment	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
Service cost	116.90	77.39	-	-
Net interest cost	60.19	66.48	-	-
Expected expense for the next annual reporting period	**177.09**	**143.87**	**-**	**-**

45 Lease related disclosures as lessee

The Group's lease asset class primarily consists of leases for land, corporate office and depots. With the exception of short-term leases, leases of low-value and cancellable long-term leases underlying assets, each lease is reflected on the consolidated balance sheet as a right of use asset and a lease liability.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the weighted average borrowing rate on the date of adoption, i.e., 12.16% (31 March 2022: 12.16%).

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right of use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security against the Group's other debts and liabilities.

(i) Lease liabilities are presented in the consolidated balance sheet as follows:

Particulars	As at 31 March 2023	As at 31 March 2022
Current	82.55	93.32
Non-current	34.91	95.31
Total	**117.46**	**188.63**

(ii) The following are amounts recognised in consolidated statement of profit and loss:

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation expense of right-of-use assets (Refer note 37)	124.60	114.36
Interest expense on lease liabilities (Refer note 36)	19.05	19.25
Rent expense* (Refer note 38)	323.19	255.85
Total	**466.84**	**389.46**

*Rent expense for short-term leases are not included in the measurement of lease liability.

(iii) The right-of-use assets related to leases of land and buildings are as follows:

Particulars	Amount
Balance as at 1 April 2021	1,639.73
Add: Addition on account of new leases entered during the year	242.16
Add: Adjustment due to modification in leases	-
Less: Depreciation expenses charged on right-of-use assets	114.36
Balance as at 31 March 2022	**1,767.53**
Add: Addition on account of new leases entered during the year	67.88
Add: Adjustment due to modification in leases	(42.89)
Less: Depreciation expenses charged on right-of-use assets	124.60
Balance as at 31 March 2023	**1,667.92**

(iv) Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The Group does not have any liability to make variable lease payments for the right-to-use the underlying asset recognised in the financials.

The expense relating to payments not included in the measurement of the lease liability for short-term leases is Rs. 323.19 lakh (31 March 2022 Rs. 255.85 lakh).

Total cash outflow for leases for the year ended 31 March 2023 was Rs. 116.77 lakh (31 March 2022 Rs. 60.18 lakh).

(v) Maturity of lease liabilities

Future minimum lease payments for years ended 31 March 2023 were as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	91.38	8.83	82.55
Later than 1 year not later than 5 years	37.01	2.10	34.91
Later than 5 years	-	-	-
Total	**128.39**	**10.93**	**117.46**

Future minimum lease payments for years ended 31 March 2022 were as follows:

Particulars	Lease payment	Interest expense	Net Present Value
Not later than 1 year	111.17	17.85	93.32
Later than 1 year not later than 5 years	102.63	7.32	95.31
Later than 5 years	-	-	-
Total	**213.80**	**25.17**	**188.63**

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(All amounts are in Rupees lakh, unless otherwise stated)

46 Fair value measurements (Category-wise classification of financial instruments)

Financial Assets

	Particulars	Fair Value Hierarchy	As at 31 March 2023		As at 31 March 2022	
			Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial assets measured at FVTPL**					
	Non-current investments	Significant unobservable inputs (Level -3)	0.24	0.24	0.24	0.24
	(A)		**0.24**	**0.24**	**0.24**	**0.24**
2.	**Financial assets measured at amortised cost**					
	Trade receivables		10,751.74	-	7,848.94	-
	Cash and cash equivalents		2,121.49	-	15,978.59	-
	Other bank balances		220.78	-	263.00	-
	Loans		-	-	-	-
	Other financial assets		8,906.90	-	1,549.74	-
	(B)		**22,000.91**	**-**	**25,640.27**	**-**
	Total financial assets (A)+(B)		**22,001.15**	**0.24**	**25,640.51**	**0.24**

Financial liabilities

	Particulars	As at 31 March 2023		As at 31 March 2022	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
1.	**Financial liabilities measured at amortised cost**				
	Borrowings	13,888.88	-	16,573.61	-
	Trade payables	10,001.51	-	9,753.86	-
	Lease liabilities	117.46	-	188.63	-
	Other financial liabilities	692.15	-	676.57	-
	Total financial liabilities	**24,700.00**	**-**	**27,192.67**	**-**

Fair value of financial assets and liabilities measured at amortised cost.

Valuation technique to determine fair values

The carrying amounts of short-term trade and other receivables, trade payables, cash and cash equivalents and other bank balances are considered to be the same as their fair values due to their short-term nature.

For other financial liabilities/ assets that are not measured at fair value, the carrying amounts are considered equal to their respective fair values.

(All amounts are in Rupees lakh, unless otherwise stated)

Capital risk management

46.1 The Group's policy is to maintain an adequate capital base so as to maintain creditor and market confidence and to sustain future development. Capital includes issued capital, share premium and all other equity reserves attributable to equity holders. In order to strengthen the capital base, the Group may use appropriate means to enhance or reduce capital, as the case may be.

Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Total borrowings (excluding lease liabilities)	13,888.88	16,573.61
Less: Cash and cash equivalents	2,121.49	15,978.59
Net debt	**11,767.39**	**595.02**
Total equity	35,254.88	35,079.48
Capital and net debt	**47,022.27**	**35,674.50**
Gearing ratio	25%	2%

47 Financial risk management

The Group's principal financial liabilities comprise borrowings, lease liabilities, trade payables and other payables. The Group's principal financial assets include trade and other receivables, investments and cash and bank balances that it derives directly from its operations.

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

A. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Group. Credit risk arises principally from trade receivables, loans and advances, cash and cash equivalents and deposits with banks.

Trade receivables

The Group primarily sells paints and coatings to customers operating in India and outside India. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk of the industry and country in which customers operate.

Cash and cash equivalents and deposits with banks

Cash and cash equivalents of the Group are held with banks which have high external rating. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Loans to employees and securities deposits

The Group provides loans to its employees and furnish security deposit to various parties for electricity, communication, etc. The Group considers that its loans have low credit risk or negligible risk of default as the parties are well established entities and have strong capacity to meet the obligations.

Investments

The management actively monitors the operation of subsidiaries and joint venture which affect investments. The Group does not expect the counterparty to fail in meeting its obligations other than those specifically considered as impairment allowance as per the management's assessment.

a) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is:

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(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets for which loss allowance is measured using 12 months expected credit loss model:		
Non-current investments	-	-
Current investments	3.73	7.45
Cash and cash equivalents	2,121.49	15,978.59
Other bank balances	220.78	263.00
Loans	-	-
Other financial assets	8,906.90	1,549.74
TOTAL	**11,252.90**	**17,798.78**
Financial assets for which loss allowance is measured using life time expected credit loss:		
Trade receivables	10,751.74	7,848.94
TOTAL	**10,751.74**	**7,848.94**

Provision for expected credit loss

a) **Financial assets for which loss allowance is measured using 12 months expected credit loss**

The Group has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting period in respect of these assets.

b) **Financial assets for which loss allowance is measured using life time expected credit loss**

For trade receivables, the Group follows the approach of a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivables are due and the rates as given in the provision matrix.

Ageing analysis of trade receivables

The ageing analysis of the trade receivables (net) before adjustment of expected credit loss provision of Rs. 770.11 lakh (31 March 2022 Rs. 1,014.12 lakh) as of the reporting date is as follows:

Age bracket	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2023							
Trade receivables (gross)	8,833.34	1,905.79	258.81	167.99	111.11	244.81	11,521.85
Less: Allowance for expected credit loss	263.80	33.53	64.27	52.59	111.11	244.81	770.11
Trade receivables (net)	8,569.54	1,872.26	194.54	115.40	-	-	10,751.74
Expected credit loss %	2.99%	1.76%	24.83%	31.31%	100.00%	100.00%	6.68%

Age bracket	Not Due	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2022							
Trade receivables (gross)	6,787.65	1,047.11	153.30	188.50	253.42	433.08	8,863.06
Less: Allowance for expected credit loss	194.79	56.46	77.24	102.69	253.42	329.52	1,014.12
Trade receivables (net)	6,592.86	990.65	76.06	85.81	-	103.56	7,848.94
Expected credit loss %	2.87%	5.39%	50.38%	54.48%	100.00%	76.09%	11.44%

(All amounts are in Rupees lakh, unless otherwise stated)

The movement in the allowance for in respect of trade receivables is as follows

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	1,014.12	1,587.50
Amount provided during the year	-	203.44
Amount adjusted during the year	(244.01)	(776.82)
Balance at the end of the year	**770.11**	**1,014.12**

B. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Group believes that the working capital is sufficient to meet its capital requirements. Accordingly, no liquidity risk is perceived.

Expected maturity for financial liabilities having contractual undiscounted maturities as summarised below:

31 March 2023	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	13,888.88	1,818.57	10,608.54	1,461.77	**13,888.88**
Lease liabilities	117.46	-	91.38	37.01	**128.39**
Trade and other payables	10,001.51	-	10,001.51	-	**10,001.51**
Other financial liabilities	692.15	-	682.05	10.10	**692.15**

31 March 2022	Carrying Amount	On Demand	Less than 1 year	More Than 1 Year	Total
Borrowings	16,573.61	2,886.27	5,482.37	8,204.97	**16,573.61**
Lease liabilities	188.63	-	111.17	102.63	**213.80**
Trade and other payables	9,753.86	-	9,753.86	-	**9,753.86**
Other financial liabilities	676.57	-	665.76	10.81	**676.57**

C. Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of fluctuation in market prices. The Company is exposed to market risk through its use of financial instruments and specifically to foreign currency risk, interest risk and commodity price risk which results from its operating, investing and financing activities.

a) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The functional currency of the Group is Indian Rupees (INR) and most of the transactions are carried out in INR. Exposure to currency exchange rates mainly arises from the Group's overseas sales and purchases which are primarily denominated in US dollars (USD) and Euro (EUR). The Group has limited exposure to the foreign currency risk and thereby it relies mainly on natural hedge. The carrying amounts of the Group's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are as follows:

(All amounts are in Rupees lakh, unless otherwise stated)

Exposure in foreign currency - unhedged

Outstanding foreign currency exposure not being hedged against adverse currency fluctuation:

Particulars	Period	Foreign currency		Local currency	
Trade payables	31 March 2023	USD	0.62	INR	51.05
Trade payables	31 March 2022	USD	0.27	INR	23.54
Trade receivables	31 March 2023	USD	2.78	INR	227.56
Trade receivables	31 March 2022	USD	1.93	INR	145.23

The carrying amounts of the Company's foreign currency denominated monetary items are restated at the end of each reporting period. Foreign currency denominated financial assets and liabilities which expose the Company to currency risk are as follows:

The carrying amounts of the Group's foreign currency denominated monetary item are as follows:

Particulars	As at 31st March, 2023	As at 31st March, 2022
Financial assets		
Trade receivables	387.80	233.21
Financial liabilities		
Trade payables	(76.04)	(57.94)
Net assets / (liabilities)	**311.76**	**175.27**

Sensitivity Analysis

A strengthening/weakening of the Indian Rupee, as indicated below, against foreign currency as at the year end would have increased (decreased) profit or loss (before tax) by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the end of the reporting period. The analysis assumes that all other variables, in particular interest rates, remain constant.

5% increase and decrease in foreign exchanges rates will have the following impact on consolidated profit/(loss) before tax

Particulars	2022-23		2021-22	
	5% Increase	5% decrease	5% Increase	5% decrease
USD sensitivity				
Increase/ (decrease) in consolidated profit or loss	**15.59**	**(15.59)**	**8.76**	**(8.76)**

b) **Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Any changes in the interest rates environment may impact future rates of borrowing. The Group mitigates this risk by regularly assessing the market scenario, finding appropriate financial instruments, interest rate negotiations with the lenders for ensuring the cost effective method of financing.

Interest rate risk exposure

Particulars	As at 31 March 2023		As at 31 March 2022	
	INR	Total	INR	Total
Fixed rate borrowings	-	-	-	-
Variable rate borrowings	13,888.88	13,888.88	16,573.61	16,573.61
Total borrowings	**13,888.88**	**13,888.88**	**16,573.61**	**16,573.61**

(All amounts are in Rupees lakh, unless otherwise stated)

Sensitivity on variable rate borrowings

Particulars	Impact on Profit / (Loss) before tax	
	31 March 2023	31 March 2022
INR borrowings		
Interest rate increase by 0.50%	(69.44)	(82.87)
Interest rate decrease by 0.50%	69.44	82.87

c) **Commodity price risk**

Commodity price risk is the risk that future cash flow of the Group will fluctuate on account of changes in market price of key raw materials. The Group is exposed to the movement in price of key raw materials in domestic and international markets.

d) **Other price sensitivity**

The Group is not exposed to any listed equity or listed debt price risk as it does not hold any investments in listed entities.

48 Related Party Disclosure as per Ind AS 24

A. List of Related Party and Relationship

(a)	**Key Managerial Personnel (KMP)**	
1	Mr. Ashok Kumar Gupta	Managing Director
2	Mr. Alok Perti	Non-Executive Independent Director
3	Mr. Abhyuday Jindal	Non-Executive Non-Independent Director (Appointed w.e.f. 08 March 2022)
4	Mr. Ashok Kumar Agarwal	Non-Executive Independent Director (Ceased w.e.f. 11.08.2022)
5	Mr. Gautam Kanjilal	Non-Executive Independent Director (Ceased w.e.f. 25.09.2021)
6	Dr. Rajeev Uberoi	Non-Executive Independent Director (Appointed w.e.f. 11 May 2021)
7	Ms. Shruti Srivastava	Non-Executive Independent Director (Ceased w.e.f. 19 February 2023)
8	Mr. Souvik Pulakesh Sengupta	Non-Executive Non-Independent Director (Appointed w.e.f. 24 February 2022)
9	Mr. Vijay Kumar Sharma	Non-Executive Independent Director
10	Mr. Sanjiv Garg	Non-Executive Independent Director (Appointed w.e.f. 10 August 2022)
11	Ms. Shan Jain	Non-Executive Independent Director (Appointed w.e.f. 13 February 2023)
12	Mr. Mohit Kumar Donter	Chief Financial Officer (Appointed w.e.f. 26 June 2021)
13	Mr. Gautam	Company Secretary (Resigned w.e.f. 20 December 2021)
14	Ms. Shikha Rastogi	Company Secretary (Appointed w.e.f. 18 January 2022)
(b)	**Relative of KMP**	
1	Mrs. Shelly	Spouse of Mr. Mohit Kumar Donter

(All amounts are in Rupees lakh, unless otherwise stated)

(c) Enterprises over which Person(s) (having control or significant influence over the Company / Key Management Personnel(s), along with their relatives) are able to exercise significant influence:	
1 Hella Infra Market Private Limited (w.e.f. 24 February 2022)	Other related party
2 Hella Infra Market Retail Private Limited (w.e.f. 24 February 2022)	Other related party
3 Hella Chemical Market Pvt. Ltd. (w.e.f. 24 February 2022)	Other related party
4 RDC Concrete (India) Pvt. Ltd. (w.e.f. 24 February 2022)	Other related party
5 Jindal Stainless (Hisar) Limited (w.e.f. 08 March 2022) (Amalgamated w.e.f. 02 March 2023)	Other related party
6 Jindal Stainless Limited (w.e.f. 08 March 2022)	Other related party

B. Related party transaction

Particulars	Amount	
	Year ended 31 March 2023	Year ended 31 March 2022
Reimbursement of expenses incurred by Company		
Mr. Ashok Kumar Gupta	1.85	2.76
Mr. Mohit Kumar Donter	0.62	0.56
Mr. Gautam	-	0.08
Ms. Shikha Rastogi	0.04	0.05
Remuneration Paid to Key Management Personnel		
Mr. Ashok Kumar Gupta	250.00	250.00
Mr. Mohit Kumar Donter	63.48	57.58
Ms. Shikha Rastogi	24.25	5.89
Mr. Gautam	-	9.20
Salary payable at the end of the Year		
Mr. Ashok Kumar Gupta	12.93	12.93
Mr. Mohit Kumar Donter	3.37	4.39
Ms. Shikha Rastogi	1.33	1.84
Defined Benefit Obligation (Cumulative) for KMP		
I. Gratuity		
Mr. Ashok Kumar Gupta	12.79	8.14
Mr. Mohit Kumar Donter	2.74	1.00
Ms. Shikha Rastogi	0.92	0.14

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Amount	
	Year ended 31 March 2023	Year ended 31 March 2022
II. Compensated Absences		
Mr. Ashok Kumar Gupta	1.04	-
Mr. Mohit Kumar Donter	0.39	-
Ms. Shikha Rastogi	0.19	-
Hella Infra Market Private Limited		
Investment in Equity Shares	-	21,500.00
Investment in 9% Optionally Covertible Debentures (OCDs)	-	5,500.00
Interest accrued but not due on 9% OCDs	495.00	47.47
Share Warrants		
Hella Infra Market Private Limited	1,875.00	-
Virtuous Tradecorp Private Limited	1,000.00	-
JSL Limited	875.00	-

Particulars	Amount	
	Year ended 31 March 2023	Year ended 31 March 2022
Sale of products		
Jindal Stainless (Hisar) Limited	91.53	11.95
Jindal Stainless Limited	360.53	28.43
Hella Infra Market Retail Pvt. Ltd.	1,591.69	107.67
Hella Infra Market Private Limited	1,622.93	-
RDC Concrete (India) Pvt. Ltd.	667.10	-
Purchase of Products		
Hella Chemical Market Pvt. Ltd.	514.03	89.15
Hella Infra Market Retail Pvt. Ltd.- Rent	26.47	89.15
Rent		
Hella Infra Market Retail Pvt. Ltd.	26.47	-
Reimbursement of expenses		
Mrs. Shelly	5.00	-
Director's Sitting Fees:		
Mr. Alok Perti	3.90	3.50
Mr. Gautam Kanjilal	-	2.30
Dr. Rajeev Uberoi	5.30	5.70
Mr. Ashok Kumar Agarwal	0.70	2.30
Mr. Sanjiv Garg	1.50	-
Ms. Shruti Srivastava	2.65	1.60
Mr. Vijay Kumar Sharma	2.25	1.80
Ms. Shan Jain	0.50	-
Consultancy Fees:		
Ms. Shan Jain	2.00	-

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Particulars	Outstanding Balances at the year ended	
	31 March 2023	31 March 2022
Receivables/ (Payables)		
RDC Concrete (India) Pvt. Ltd.	402.83	-
Jindal Stainless Ltd.	97.80	-
Hella Infra Market Retail Pvt. Ltd.	229.92	-
Hella Chemical Market Private Limited	(111.07)	-
Jindal Stainless (Hisar) Limited	8.80	-
Hella Infra Market Pvt. Ltd.	780.78	-
Hella Infra Market Retail Pvt. Ltd.- Rent	(9.91)	-

The transactions with related parties are made in the ordinary course of business and on terms equivalent to those that prevail in arm's length transactions.

49 Share based payments (Equity Settled)

The ESOP 2013 scheme was approved by the Board of Directors and the shareholders on 25 May 2013 and 06 August 2013 respectively. As per the ESOP 2013 scheme, options are granted to employees of the Group which will vest over the period of four years. The relevant details of the scheme are as follows:

I. Option movement during the year ended 31 March 2023

Particulars	31 March 2023		31 March 2022	
	No. of options	Weighted average exercise price (in Rs.)	No. of options	Weighted average exercise price (in Rs.)
No. of options outstanding at the beginning of the year	4,000	111.22	10,500	111.22
Options granted during the year	-	-	-	-
Options lapsed during the year	4,000	111.22	6,500	111.22
Options exercised during the year	-	-	-	-
No. of options outstanding at the end of the year	-	-	4,000	111.22
No. of options exercisable at the end of the year	-	-	4,000	-

II. Weighted average remaining contractual life

	31 March 2023		31 March 2022	
	No. of options outstanding	Weighted average contractual life (years)	No. of options outstanding	Weighted average contractual life (years)
	-	-	4,000	5.64

(All amounts are in Rupees lakh, unless otherwise stated)

III. Method and assumptions used to estimate the fair value of options granted:

The fair value has been calculated using the Black Scholes Option Pricing model.

The Assumptions used in the model are as follows:

Variables	31 March 2023	31 March 2022
	Weighted Average	**Weighted Average**
1. Risk-free rate of return	8.15%	8.15%
2. Time to maturity	-	-
3. Expected volatility	69.57%	69.57%
4. Expected divided yield	-	-
5. Exercise price (Rs.)	-	111.22
6. Price of the underlying share in market at the time of the option grant (Rs.)	166.00	166.00

VI.

Particulars	31 March 2023	31 March 2022
Employee option plan expense	(4.98)	(7.79)
Total liability at the end of the period	-	4.98

During the year, no share options have been exercised by the employees.

The Group did not grant any share options during the current and previous year.

50 Restatement of consolidated financial statements

The management has corrected certain prior period errors in accordance with the principles of Ind AS 8, 'Accounting policies, Changes in Accounting Estimates and Errors' and Para – 40A of Ind AS 1, 'Presentation of Financial Statements', and the impact thereof has been presented below:

(a) Reversal of Deferred tax assets on account of absence of convincing evidence that the brought forward losses and unabsorbed depreciation would be utilised in future as per Ind AS 12 'Income Taxes'.

(b) Reclassification of leasehold land from Property, plant and equipment to Right-of-use-assets (ROU) along with impact of amortisation of ROU asset.

(c) Certain other adjustments like impact of processing fees on borrowings adjusted from borrowing by using effective interest rate, separate equity component from borrowing of the compound instrument along with its deferred tax impact and obsolescence for inventory based on management's assessment.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Consolidated Balance Sheet as at 31 March 2022 **(Rs. in lakh)**

Particulars	31 March 2022 Published	Adjustment	31 March 2022 Restated
Assets			
Non-current assets			
Property, plant and equipment	26,889.09	(1,515.73)	25,373.36
Right-of-use-assets	182.26	1,585.27	1,767.53
Financial Assets			
i) Investments	0.23	0.01	0.24
ii) Loans	-	-	-
iii) Other financial assets	181.44	(60.95)	120.49
Deferred tax assets (net)	1,976.72	(1,976.72)	-
Non-current tax assets (net)	-	330.64	330.64
Other non-current assets	1.93	46.08	48.01
Current assets			
Inventories	9,733.57	(201.00)	9,532.57
Financial assets			
i) Trade receivables	7,848.53	0.41	7,848.94
ii) Cash and cash equivalents	16,460.90	(482.31)	15,978.59
iii) Bank balances other than (ii) above	500.35	(237.35)	263.00
iv) Other financial assets	638.64	790.61	1,429.25
Current tax assets	330.64	(330.64)	-
Other current assets	1,644.49	(96.24)	1,548.25
Total assets	**66,388.79**	**(2,147.92)**	**64,240.87**
Equity and liabilities			
Equity			
Other equity	35,748.34	(2,113.20)	33,635.14
Liabilities			
Non-current liabilities			
Financial Liabilities			
i) Borrowings	8,458.32	(253.35)	8,204.97
Provisions	831.10	(300.02)	531.08
Deferred tax liabilities	-	247.95	247.95
Current liabilities			
Financial Liabilities			
i) Borrowings	5,868.97	2,499.67	8,368.64
ii) Trade payables	10,599.88	(846.02)	9,753.86
iii) Other financial liabilities	2,538.54	(1,872.78)	665.76
Other current liabilities	625.79	(254.24)	371.55
Provisions	504.28	744.07	1,248.35
Total Equity and liabilities	**65,175.22**	**(2,147.92)**	**63,027.30**

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

Consolidated Statement of Profit and Loss for the year ended 31 March 2022

Particulars	31 March 2022 Published	Adjustment	31 March 2022 Restated
Income			
Revenue from operations	35,809.60	9.73	35,819.33
Other income	462.68	(8.65)	454.03
Expenses			
Finance costs	2,217.10	11.33	2,228.43
Depreciation and amortisation expense	1,345.88	(6.20)	1,339.68
Tax expenses			
Deferred tax charge/(credit)	-	(58.62)	(58.62)
Exceptional items	1,076.34	(335.77)	740.57

Restatement in the Earnings per Share

Particulars	Year ended 31 March 2022 Published	Year ended 31 March 2022 Restated
Earnings/(Loss) per equity share ("EPS")		
Basic and Diluted EPS (in absolute Rs. terms)	(11.39)	(10.76)

Consolidated Cash Flow Statement for the period ended 31 March 2022

Particulars	31 March 2022 Published	Adjustment	31 March 2022 Restated
Net cash used in operating activities	(4,033.35)	(2,147.11)	(6,180.46)
Net cash used in investing activities	(326.88)	(247.98)	(574.86)
Net cash generated from financing activities	20,555.94	1,912.78	22,468.72
Net change in cash & cash equivalents	**16,195.71**	**(482.31)**	**15,713.40**
Cash and cash equivalents at the beginning of the period	265.19	-	265.19
Cash and cash equivalents at at end of the period	16,460.90	(482.31)	15,978.59

Notes:

1. **Deferred tax asset reversal impact**

   During the previous years, the Group has created deferred tax on unabsorbed losses and depreciation, aggregating to Rs. 2,224.67 lakh as at 31 March 2022. According to the Ind AS 12, deferred tax assets shall be recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. Since, the Group has a history of recent losses and does not have strong evidence that sufficient taxable profit will be available, the Group decided to derecognise a deferred tax assets more than the sufficient taxable temporary differences in their financial statement. During the year, the Group has corrected the same and accordingly, restated the numbers as at 31 March 2022.

2. **Right of Use Classification**

   In previous years, the Group has applied Ind AS 116 accounting to one of the lease hold land ,but recorded the same under the heading property, plant and equipment. As per the disclosure requirements, the Group has presented the said ROU amounting to Rs. 1,548.27 lakh under the "Right of use assets" in the consolidated financial statement as a separate line item on the face of the balance sheet from the asset class of land under the heading "property, plant and equipment" and accordingly, restated the numbers as at 31 March 2022.

3. **Fixed deposits classification impact**

   As at 31 March 2022, the Group had a total fixed deposit balance of Rs. 13,303.93 lakh which was incorrectly classified as per Ind AS Schedule III. During the current year, the Group has corrected the classification within cash & cash equivalents (original maturities three months or less), bank balance other than cash & cash equivalents (original maturity of more than three months but less than 12 months) , other current and non-current financial asset (with more than 12 months maturity) in accordance with the Schedule III. Thus, the numbers are restated for the year ended 31 March 2022.

4. **Bills payable classification**

   As at 31 March 2023, the total balance of bill payables was Rs. 2,499.67 lakh, which was classified under trade payables. Since, on bills discounting for trade creditors with banks, the credit period extended to the Group as a result of the arrangement is significant in contrast to the general credit period extended by the trade creditors, this represents a short term finance arrangement for the Group and should be classified as a current “borrowing”, and not as “trade payable”. Accordingly, the Group has restated the numbers for the year 31 March 2023.

5. **Other reclassifications**

   During the year ended 31 March 2023, the Group has made certain reclassifications in the comparative balance sheet 31 March 2022. The Group has made such corrections by restating the balances of comparative balance sheet as at 31 March 2022.

51 Reconciliation between the opening and closing balances in the consolidated balance sheet for liabilities arising from financing activities pursuant to Ind AS 7 'Statement of Cash Flows'

Particulars	Lease liabilities (Non-current and current)	Borrowings (Non-current and current)
Balance as at 01 April 2022	188.63	16,573.61
Cash flows (Net)	(97.72)	(2,831.97)
Non-cash changes:		
Recognition in lease liabilities (Net)	26.55	-
Impact of fair value changes	-	147.24
Impact of exchange fluctuations	-	-
Balance as at 31 March 2023	**117.46**	**13,888.88**

Particulars	Lease liabilities (Non-current and current)	Borrowings (Non-current and current)
Balance as at 01 April 2021	32.76	13,054.24
Cash flows (Net)	(40.93)	3,734.34
Non-cash changes:		
Recognition in lease liabilities (Net)	196.80	-
Impact of fair value changes	-	(214.97)
Impact of exchange fluctuations	-	-
Balance as at 31 March 2022	**188.63**	**16,573.61**

52 **Segment information**

The business activities of the Group predominantly fall within a single reportable business segment, i.e. manufacturing of paints within India and sale of paints within India and outside India. There are no separately reportable business or geographical segments that meet the criteria prescribed in Ind AS 108 on operating segments. The aforesaid is in line with review of operating results by the chief operating decision maker.

Entity wide disclosures

A. **Information about products and services**

The Group is engaged in manufacturing and marketing of Paints. The Group operates in one product line, therefore productwise revenue disclosure is not applicable. For details of geographical areawise sale and sales related to major customers, refer note 30.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

53 (i) The Group had claimed Rs. 3,290.07 lakh in respect of Nashik Plant Fire under Loss of Profit Policy, and the surveyor appointed by the insurer has assessed the claim vide their survey report at Rs. 2,214.27 lakh (loss of production method) and at Rs. 2,263.24 lakh (turnover method) and thereafter further reduced the amount to Rs. 1,832.07 lakh. Against the aforesaid claim, the Group has received in total Rs. 1,614.16 lakh (Rs. 1,399.85 lakh, as interim payment during earlier financial years). The remaining amount of Rs. 214.31 lakh received during previous year had been shown under the head “Other Income”. Aggrieved with the assessment being not fully indemnified, the Group had invoked arbitration and has filed its claim of Rs. 1,257.35 lakh before the Arbitral Tribunal, which is currently pending for adjudication.

(ii) The Group had claimed Rs. 5,935.32 lakh in respect of Nashik Plant Fire under Reinstatement Policy, and the surveyor appointed by the insurer had assessed the claim vide their survey report at Rs. 2,188.79 lakh. Against the aforesaid claim, the Group had received total Rs. 2,091.58 lakh in earlier financial years. Aggrieved with the assessment being not fully indemnified, the Group had invoked arbitration and had filed its claim of Rs. 3,793.78 lakh before the Arbitral Tribunal, which is currently pending for adjudication.

54 During the previous year, the Group had reviewed and assessed old inventories of Rs. 1,605.00 lakh, against which provision of Rs. 682.14 lakh has been made with respect to processable and non-reprocessable inventory. The said provision has been shown as exceptional item in note 39.

55 Term Loan from financial institutions represent loan availed by Group for working capital for business needs.

56 The Division Bench of Hon’ble High Court of Calcutta passed an order on 07 May 2009 requiring the Group to give immovable property to the extent of Rs. 450.00 lakh as security in favour of Registrar (Original Side) Kolkata High Court, in the matter of Shalimar Paints Ltd vs. Tara Properties Pvt Ltd. (dispute pertaining to lease of the premises of Tara Properties Pvt Ltd. situated at 13, Camac Street, Kolkata). The Group has given portion of its land at Goaberia (adjacent to Howrah plant), as security in compliance of the Hon’ble High Court Order.

57a The subsidiary companies considered in the Consolidated Financial Statements are:

Direct subsidiaries

Name of the Company	Country of Incorporation	% of holding		Accounting period
		As at 31 March 2023	As at 31 March 2022	
Shalimar Adhunik Nirman Ltd.	India	99.99	99.99	01 April 2022 - 31 March 2023
Eastern Speciality Paints & Coatings Pvt. Ltd.	India	100.00	100.00	01 April 2022 - 31 March 2023

57b **Disclosure of additional information pertaining to the parent company, subsidiaries and associates as per Schedule III of Companies Act, 2013:**

Name of the Company	Net Assets (Total Assets-Total Liabilities)		Share in profit/ loss		OCI		TCI	
	as % of consolidated net assets	Net assets	as % of consolidated profit or loss	Profit/ (Loss)	as % of consolidated OCI	OCI	as % of consolidated TCI	TCI
Shalimar Paints Limited	95.49%	33,663.95	99.89%	(3,610.50)	100.00%	44.93	99.89%	(3,565.57)
Indian Subsidiaries								
Shalimar Adhunik Nirman Ltd.	4.46%	1570.64	1.25%	(45.31)	0.00%	-	1.27%	(45.31)
Eastern Speciality Paints & Coatings Pvt. Ltd.	0.00%	1.70	0.01%	(0.22)	0.00%	-	0.01%	(0.22)
Consolidation adjustments	0.05%	18.60	-1.15%	41.47	0.00%	-	-1.16%	41.47
Total	**100.00%**	**35,254.89**	**100.00%**	**(3,614.56)**	**100.00%**	**44.93**	**100.00%**	**(3,569.63)**

58 Previous year figures have been regrouped/rearranged/recast, whatever considered necessary to confirm to current year’s classification.

59 **Applicability of notes of general instruction for preparation of consolidated financial statements (as per amended Schedule III, division-II of the Companies Act 2013)**

a The Group has used the borrowings from banks and financial institutions for the specific purposes for which it were taken at the balance sheet date. (Refer note 20 and 24).

b Title deeds of Immovable Properties are held in name of the Group (Refer note 5).

c The Group does not hold any investment property as defined under Ind AS 40.

d The Group has not revalued its Property, plant and equipment in the current and previous year (Refer note 5).

e The Group has not traded or invested in crypto currency or virtual currency during the current and previous financial year (Refer note 8).

f The Group has not revalued its intangible assets in the current and previous year (Refer note 7).

g The Company has not granted Loans or Advances in the nature of loans to its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person other than referred in note 48.

h No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

i (i) Reconciliation of statement shared with bank and books - Inventory:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 22	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 20 and 24	Inventories	11,255.66	11,455.22	(199.56)	Difference is due to book closure entries which pertains to provision of Rs. 199.56 lakh done in the opening balance as a re-statement adjustment.
Sept 22				10,724.80	10,719.90	4.90	Difference is due to book closure entries.
Dec 22				10,876.82	11,180.63	(303.81)	Difference is due to book closure entries which pertains to sales reversal impact of Rs. 303.82 lakh.
Mar 23				11,358.17			The statement for March'23 has not been filed till 27 May 2023

i (ii) Reconciliation of statement shared with bank and books - Inventory:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 21	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 20 and 24	Inventories	8,330.76	8,578.36	(247.60)	Difference is due to book closure entries which pertains to provision of Rs. 247.60 lakh.
Sept 21				8,384.12	8,631.78	(247.66)	Difference is due to book closure entries which pertains to provision of Rs. 247.60 lakh.
Dec 21				8,059.78	8,541.57	(481.79)	Difference is due to book closure entries which pertains to provision of Rs. 481.79 lakh.
Mar 22				9,533.57	10,294.50	(760.93)	Difference is due to book closure entries which pertains to provision of Rs. 560.93 lakh and opening balance re-statement adjustment of Rs. 200 lakh.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

i (iii) Reconciliation of statement shared with bank and books - Receivables:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 22	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 20 and 24	Trade receivables	8,211.66	9,241.47	(1,029.81)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,056 lakh and stock transfer balance of Rs. 29 lakh.
Sept 22				9,509.53	11,348.24	(1,838.71)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 752 lakh, sales reversal of Rs. 1,103 lakh and stock transfer balance of Rs. 18 lakh.
Dec 22				10,291.35	11,450.17	(1,158.82)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,259 lakh, stock transfer balance of Rs. 37 lakh and grossing of debtors of Rs. 86 lakh.
Mar 23				10,751.74			The statement for March'23 has not been filed till 27 May 2023

i (iv) Reconciliation of statement shared with bank and books - Receivables:

Quarter	Name of bank	Particulars of securities provided	Statements provided	Amount as per books of account	Amount as reported in quarterly return	Amount of difference	Reason for discrepancies
June 21	Punjab National Bank, State Bank of India, HDFC Bank	Refer note 20 and 24	Trade receivables	4,872.26	6,661.17	(1,788.91)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,728 lakh and stock transfer balance of Rs. 19 lakh.
Sept 21				6,697.38	8,358.54	(1,661.16)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,586 lakh and stock transfer balance of Rs. 36 lakh.
Dec 21				6,824.50	8,462.85	(1,638.35)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,586 lakh and stock transfer balance of Rs. 26 lakh.
Mar 22				7,848.54	8,709.48	(860.94)	Difference is majorly due to allowances for expected credit loss on trade receivables of Rs. 1,014 lakh, stock transfer balance of Rs. 26 lakh and grossing up of trade receivables of Rs. 220 lakh.

Notes to the Consolidated Financial Statements for the year ended 31 March 2023
(All amounts are in Rupees lakh, unless otherwise stated)

j The Group has not been declared as wilful defaulter by any bank or financial institution or other lender.

k Details of struck-off companies with whom the Group has transactions during the year or outstanding balance:

Name of struck-off company	Nature of transactions with struck-off company	As at 31 March 2023	As at 31 March 2022
Expedite AR Management Pvt. Ltd.	Receivables	0.76	0.76

l The Group has registered with Ministry of Corporate Affairs/ Registrar of Companies, all charges or satisfaction within the statutory time period.

m The Group is compliant in respect of number of layers prescribed under Clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

n The Group has not entered into any scheme of arrangement in the current and previous year.

o The Group has not advanced or loaned or invested funds to any person or entity including foreign entity with the understanding that the intermediary shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (ultimate beneficiaries) or(ii) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

p The Group has not received any funds from any person or entity including foreign entity with the understanding that the Group shall(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or(ii) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

q In view of continued losses, the Group is not covered by Section 135 of the Companies Act, 2013 dealing with CSR activities.

r The Group has not undertaken any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

The accompanying notes are an integral part of consolidated financial statements.

As per our report of even date attached

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Ashish Gera
Partner
Membership No.: 0508685

Place : Gurugram
Date : 27 May 2023

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

Ashok Kumar Gupta
Managing Director
DIN:- 01722395

Alok Perti
Director
DIN:- 00475747

Mohit Kumar Donter
Chief Financial Officer

Shikha Rastogi
Company Secretary
Mem. No:- ACS 18226

SHALIMAR PAINTS

Shalimar Paints Limited

CIN: L24222HR1902PLC065611

Regd Office: Stainless centre, 04th Floor, Plot No.50, Sector-32, Gurugram, Haryana-122001

Website: www.shalimarpaints.com

e-mail: askus@shalimarpaints.com

E-COMMUNICATION REGISTRATION FORM

To,

BEETAL Financial & Computer Services Pvt Ltd.

[Unit: Shalimar Paints Limited]

BEETAL HOUSE, 3rd Floor,

99, Madangir, Behind LSC, New Delhi – 110062

Ph. 011-29961281-283, 26051061, 26051064

Fax 011-29961284

Email: beetalrta@gmail.com

Green initiative on Corporate Governance

I/we hereby exercise my/our option to receive all communications from the Company such as Notice of General Meeting, Explanatory Statement, Audited Financial Statements, Balance Sheet, Profit & Loss Account, Directors' Report, Auditor's Report etc. in electronic mode pursuant to the "Green Initiative in Corporate Governance" taken by the Ministry of Corporate Affairs vide circular no. 17/2011 dated 21st April, 2011. Please register my e-mail ID as given below, in your records, for sending the communications:

Folio No. / DP ID & Client No.: ……………………………………………………………

Name of 1st Registered Holder: ……………………………………………………………

Name of Joint Holder(s), if any: ……………………………………………………………

Registered Address of the Sole/1st Registered Holder……………………………………

No. of Shares held: …………………………………………………………………………

E-mail ID (to be registered): ………………………………………………………………

Date: ………………………………………

Signature: …………………………………

Notes:

1) On registration, all communications will be sent to the e-mail ID registered.
2) Shareholders are requested to keep the Company's Registrar - BEETAL Financial & Computer Services Pvt Ltd. informed as and when there is any change in the e-mail address.

SHALIMAR PAINTS

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SHALIMAR
PAINTS
SINCE 1902

Regd. Office: Stainless Centre, 4th Floor, Plot No. 50, Sector-32 Gurugram, Haryana-122001
Email Id: feedback@shalimarpaints.com (for feedback) | askus@shalimarpaints.com
Tel: 0124-4616600 | Fax: 0124-4616659

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